



# CONDENSED CONSOLIDATED REPORT

For the Half-Year Ended 31 December 2023

**PURSUIT**  
MINERALS

Pursuit Minerals Limited ABN: 27 128 806 977

And Controlled Entities

This half-year report is to be read in conjunction with the financial report for the year ended 30 June 2023

|  |    |
|--|----|
| CORPORATE DIRECTORY  | 2  |
| DIRECTORS' REPORT  | 3  |
| AUDITOR'S INDEPENDENCE DECLARATION   | 18 |
| INDEPENDENT AUDITOR'S REVIEW REPORT  | 19 |
| CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME | 21 |
| CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION                             | 22 |
| CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY                              | 23 |
| CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS                                     | 24 |
| NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS                           | 25 |
| DIRECTORS' DECLARATION   | 37 |

### Competent Person's Statement

Statements contained in this announcement relating to exploration results and exploration targets, are based on, and fairly represents, information and supporting documentation prepared by Mr. Brian Luinstra, BSc honours (Geology), PhD (Earth Sciences), MAIG, PGeo (Ontario). Dr Luinstra is a Principal Consultant of SRK Consulting (Australasia) Pty Ltd and a consultant to the Company. Mr. Luinstra has sufficient relevant experience in relation to the mineralisation style being reported on to qualify as a Competent Person for reporting exploration results, as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Luinstra consents to the use of this information in this announcement in the form and context in which it appears. The historical mineral resource compiled in accordance with NI43-101, is a foreign mineral resource estimate which was not compiled in accordance with the JORC code. The Competent Person has not done sufficient work to classify this foreign mineral resource estimate as a Mineral Resource in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign mineral resource estimate will be able to be reported as Mineral Resources in accordance with the JORC code. For further detail on the NI43-101 Historical Mineral Resource refer to ASX release 14/12/2022 "Pursuit to Acquire Lithium Brine Project in Argentina". 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.

### Forward looking statements

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of the Consolidated Entity'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 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 Consolidated Entity's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold/ lithium reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Consolidated Entity'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/ lithium and other risks and uncertainties.

**DIRECTORS**

|                     |   |
|---------------------|---|
| Peter Wall          | Non-Executive Chairman                          |
| Robert Affleck      | Managing Director (resigned 3 July 2023)        |
| Aaron Revelle       | CEO & Managing Director (appointed 3 July 2023) |
| Ernest Thomas Eadie | Non-Executive Director                          |
| Mark Freeman        | Finance Director (resigned 31 August 2023)      |

**COMPANY SECRETARY**

Mark Freeman (resigned 31 August 2023)  
Vito Interlandi (appointed 31 August 2023)

**REGISTERED AND BUSINESS OFFICE**

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**SHARE REGISTRY**

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Level 5, 191 St Georges Terrace  
PERTH  
WA 6000

**AUDITORS**

BDO Audit (WA) Pty Ltd  
Level 9, 5 Spring Street  
PERTH  
WA 6000

**LEGAL ADVISORS**

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth  
WA 6000  
Telephone: +61 8 9321 4000

**ASX CODE**

PUR

**ABN**

27 128 806 977

Your Directors submit the financial report of Pursuit Minerals Limited (the “Company”) and its controlled entities (“the Group or Consolidated Entity”) for the half-year ended 31 December 2023.

**DIRECTORS**

The following persons were directors of the Consolidated Entity during the whole of the half-year and up to the date of this report, unless otherwise stated:

|                     |   |
|---------------------|---|
| Peter Wall          | Non-Executive Chairman  |
| Robert Affleck      | Managing Director (resigned 3 July 2023)  |
| Aaron Revelle       | CEO & Managing Director (appointed 3 July 2023, previously Chief Operating Officer) |
| Mark Freeman        | Finance Director (resigned 31 August 2023)  |
| Ernest Thomas Eadie | Non-Executive Director  |

**COMPANY SECRETARY**

Mark Freeman (resigned 31 August 2023)  
Vito Interlandi (appointed 31 August 2023)

**OPERATING RESULT**

The Consolidated Entity incurred an operating loss after income tax for the half-year ended 31 December 2023 of \$1,580,114 (half-year ended 31 December 2022: operating loss after income tax of \$1,493,356).

The Directors believe the Consolidated Entity is in a sound financial position to continue its exploration endeavours.

**PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS**

The principal activity of the Company is conducting mineral exploration activities and development activities at its Rio Grande Sur Lithium Project in Argentina. The Company additionally holds a portfolio of mineral exploration projects in WA.

**Half Year Highlights****Rio Grande Sur Lithium Project:**

- Defined maiden JORC inferred resource of 251.3kt LCE at 351mg/Li<sup>1</sup>.
- Completion of Transient Electromagnetics (TEM) and Controlled Source Magnetotellurics (CSAMT) surveys defining multiple prospective drill targets.
- Completion of the acquisition and relocation of the Lithium Carbonate Pilot Plant targeting the production of battery grade lithium carbonate from Rio Grande Brines.
- Commencement of commissioning works at the plant inclusive of a 250 tonne per annum capacity upgrade targeting first production of Lithium Carbonate.
- Appointment of local engineering team to oversee plant operations and production.
- Receipt of advanced exploration permits from the Salta Mining Secretary to commence the Stage 1 Drilling Program.

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<sup>1</sup> See PUR ASX announcement 25 October 2023.



## WA Project Portfolio

- Independent Expert Report conducted on Warrior and Commando Projects.
- Several Expressions of interest received by the Company.

## Rio Grande Sur (RGS) Lithium Project Argentina

The Rio Grande Sur Project comprises of 5 tenements prospective for lithium on the Rio Grande Salar in the Salta province of Argentina, in addition to a Lithium Carbonate Pilot Plant located in the city of Salta. The five tenements cover approximately 9,233 hectares (Table 1).



Figure 2: RGS Project location in the 'Lithium Triangle' Region



Figure 1: Rio Grande Sur Tenement Map

Table 1 – Rio Grande Sur Tenement Schedule

|   | Tenement        | Hectares        | File Number |
|---|-----------------|-----------------|-------------|
| 1 | Maria Magdalena | 73.26           | 3571        |
| 2 | Isabel Segunda  | 59.25           | 16626       |
| 3 | Sal Rio 02      | 298.26          | 21942       |
| 4 | Sal Rio 01      | 142.19          | 21941       |
| 5 | Mito            | 8,660.00        | 23704       |
|   | <b>Total</b>    | <b>9,232.96</b> |             |

The Rio Grande Sur Project is located within the famed Lithium Triangle, where more than 50% of the estimated global lithium resources and 40% of current world production is located in the salt flats of Bolivia, Chile and Argentina.

Argentina is currently the world's third largest Lithium producer behind Australia and Chile and has the largest pipeline of significant new mines. Lithium brine projects from Argentina are amongst the lowest in the production cost curve.

### Maiden JORC Inferred Resource<sup>2</sup>

During the quarter, Pursuit announced a Maiden JORC Code 2012 compliant Inferred Mineral Resource Estimate ("MRE" or "Resource") of 251.3kt LCE at 351mg/Li at the Rio Grande Sur Project in Salta, Argentina. This strong result was delivered in less than 7 months following Pursuit acquiring the Rio Grande Sur Project in Q1 of 2023, and marked the start of what Pursuit believes will be significant ongoing growth in the project resource ahead of the upcoming drilling campaign.

**Table 2 - Maiden JORC Mineral Resource Estimate for Rio Grande Sur Project**

| Resource Category        | Tenement        | Brine Volume (Mm <sup>3</sup> ) | Avg. Li Grade (mg/L) <sup>1</sup> | Average Sy               | In Situ Li (Kt) | LCE <sup>2</sup> (Kt) |
|--------------------------|-----------------|---------------------------------|-----------------------------------|--------------------------|-----------------|-----------------------|
| Inferred                 | Maria Magdalena | 17.3                            | 382                               | 0.059                    | 6.6             | 35.2                  |
| Inferred                 | Isabel Segunda  | 13.5                            | 342                               | 0.057                    | 4.6             | 24.6                  |
| Inferred                 | Sal Rio 02      | 68.5                            | 385                               | 0.057                    | 26.4            | 140.3                 |
| Inferred                 | Sal Rio 01      | 32.6                            | 295                               | 0.058                    | 9.6             | 51.2                  |
| <b>Total<sup>5</sup></b> |                 | <b>131.9</b>                    | <b>351<sup>3</sup></b>            | <b>0.058<sup>4</sup></b> | <b>47.2</b>     | <b>251.3</b>          |

Notes:

1. No cut-off grade applied to the Mineral Resource Estimate
2. The conversion for Lithium Carbonate Equivalent (LCE) = Li x 5.3228
3. Weighted average for Lithium Grades used.
4. Weighted Average for Specific yield (SY) values used.
5. There may be minor discrepancies in the above table due to rounding.

<sup>2</sup> See announcement: Maiden Resource of 251.3kt LCE at 351mg/Li at the Rio Grande Sur Lithium Project released 25 October 2023.

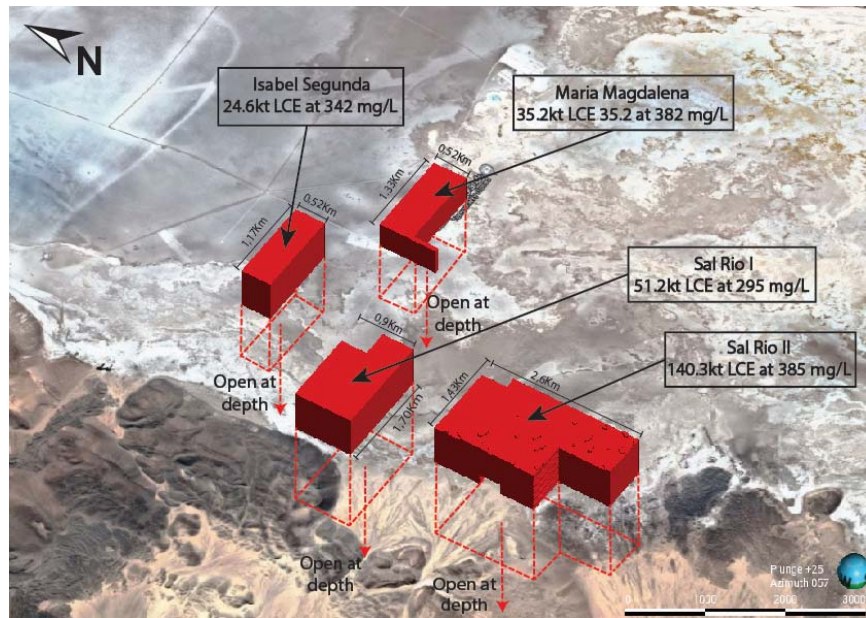


Figure 3: Maiden JORC Mineral Resource Estimate for Rio Grande Sur 3D Model

### Transient Electromagnetics (TEM) and Controlled Source Magnetotellurics (CSAMT) Survey Results

During the period a Transient Electromagnetic (TEM) Geophysical Survey and Controlled Source Magnetotellurics (CSAMT) Survey were both carried out at the Rio Grande Sur Project in Salta, Argentina of which both yielded significant results identifying multiple zones highly prospective for Lithium enriched brines.

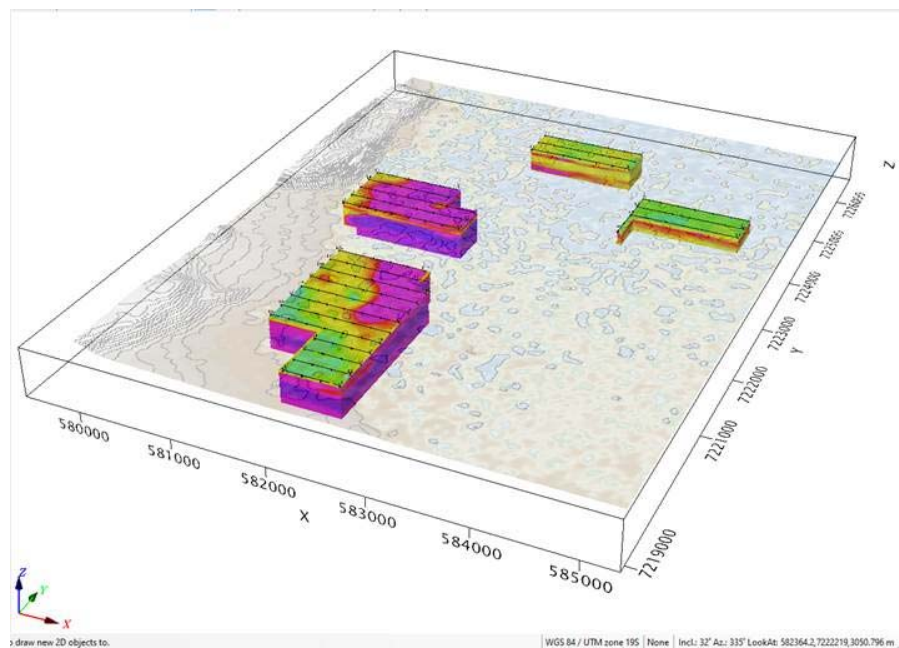
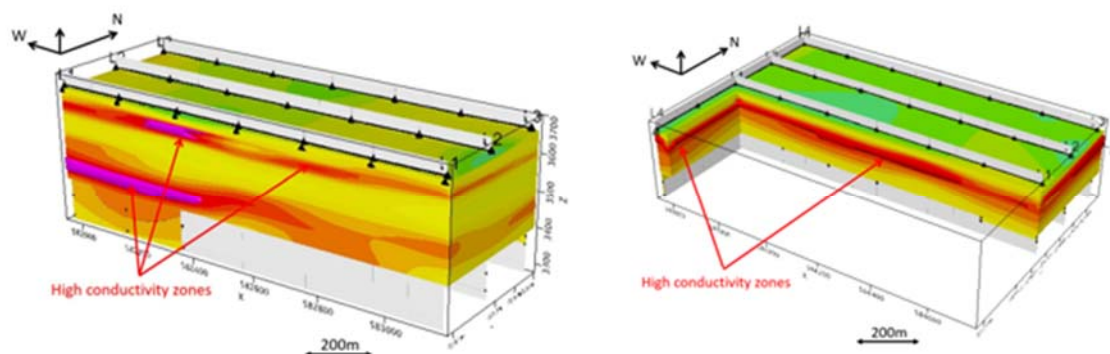


Figure 4: TEM Survey Results in 1D resistivity volume distributions.

The TEM results support categorisation of the Rio Grande Salar as being a 'mature salar'. The available drilling and the TEM data suggest that tenements are located on two distinct geological regimes. The Maria

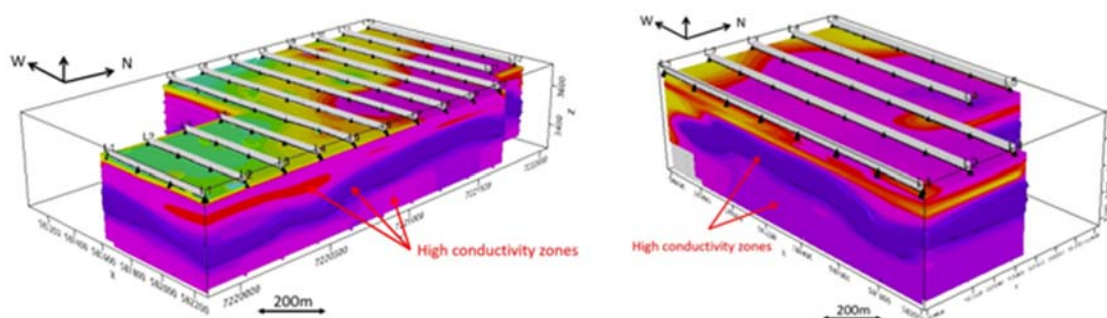


Magdalena and Isabel Segunda tenements are physically located in the central area of the Salar and have a TEM profile which supports a typical “Salar Core” halite-dominated profile. These sequences are dominated by halite, with distinct layers of fractured halite and sandy halite material which are considered highly prospective to yield lithium enriched brines. These sequences often extend to significant depths with multiple transmissive layers and have historically supported lithium brine operations in the Region.



**Figure 5: 3D visualization of processed TEM data for Isabel Segunda and Maria Magdalena**

The Sal Rio I and Sal Rio II tenements are located on the margins of the salar, and the TEM data indicates the presence of a thick conductive layer which is considered highly prospective for lithium brine. Intercalation of volcanics, alluvial fan sediment and halite are characteristic of the margins of the mature salars, and this is supported not only by the TEM data for the tenements but also by the outcrops of volcanic rocks and presence of large alluvial deposits observed during the site visit. Interpretation of specific lithologies near the margins from TEM data can, therefore, be considered uncertain. However, the thickness and contiguity of the highly prospective, high conductivity layer identified in the TEM data on these tenements should be considered a priority target for future exploration.



**Figure 6: 3D visualization of processed TEM data for Sal Rio I and Sal Rio II**

The proposed forward works program at the TEM site consists of a Stage 1 Drilling Program of four exploration drill holes, one for each of the Sal Rio I, Sal Rio II, Maria Magdalena, and Isabel Segunda tenements.

The CSAMT results support previous interpretations of the geology on the fringes of the Rio Grande Salar as being potential hosts to brine deposits. The Mito tenement is located on the margins of the salar and the CSAMT indicates the presence of a thick conductive layer (i.e. low resistivity) located nearest to the margins of the Salar which is considered highly prospective for lithium brine. Intercalation of volcanics, alluvial fan



sediment and halite are characteristic of the margins of the mature salars (such as Hombre Muerto), and this is supported by the CSAMT data.

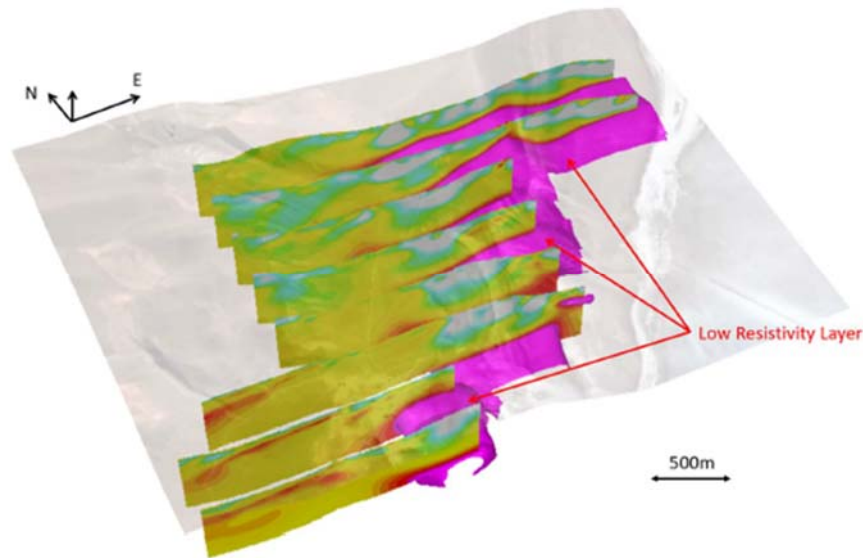


Figure 7: 3D rendering of Low Resistivity Layer on the Mito Tenement

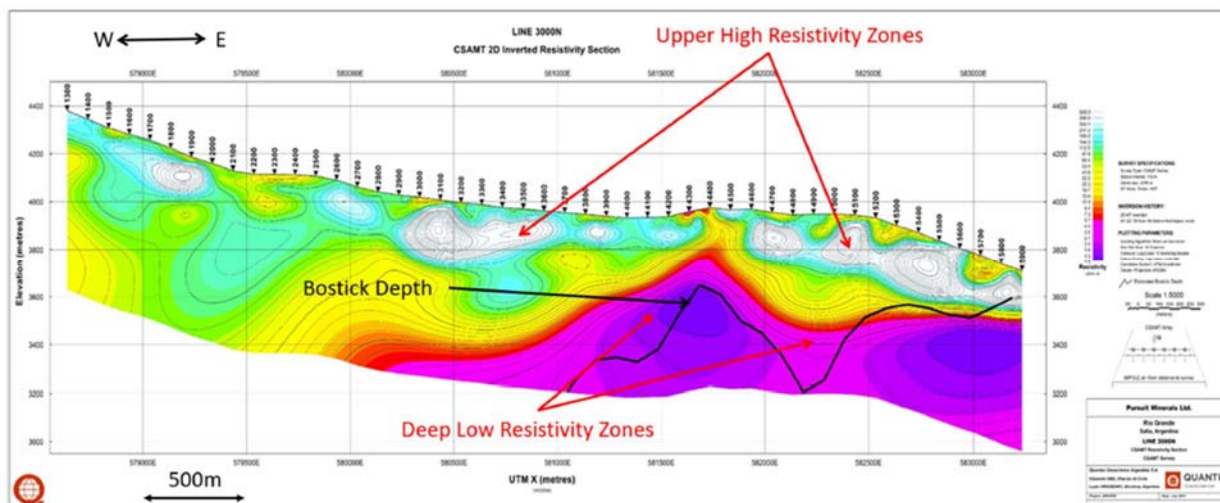
The geology of the Mito tenement is interpreted from the CSAMT to include:

Upper High Resistivity Layer

The average thickness of the high resistivity layer is approximately 100m to 200m in the CSAMT data. It is possibly composed of interbedded alluvial fan clastic sediments (e.g., silt, fine sand) observed on the surface. Relatively high values of resistivity are likely related to brine diluted by fresh or brackish water coming from the western margin of the salar basin. The presence of significant quantities of fresh water suggests that the host lithologies are promising for future brine extraction.

Low Resistivity Layer

The CSAMT lines on the Mito tenement are uniformly characterised by a large, thick and contiguous extremely low resistivity layer located from 200m depth to approximately 600m. The very high conductivity of this layer limits the estimated Bostick depths and therefore the confidence of any collected CSAMT data below the low resistivity layers. The high conductivity layers identified in the data are all proximal to the salar margin, consistent with the geological interpretation of Rio Grande as a mature salar sequence. This layer is possibly composed of interbedded clastic sediments (e.g., silts, sands) or fractured volcanic rocks. The low resistivity of these layers suggest it is porous and potentially host to high concentration brines.

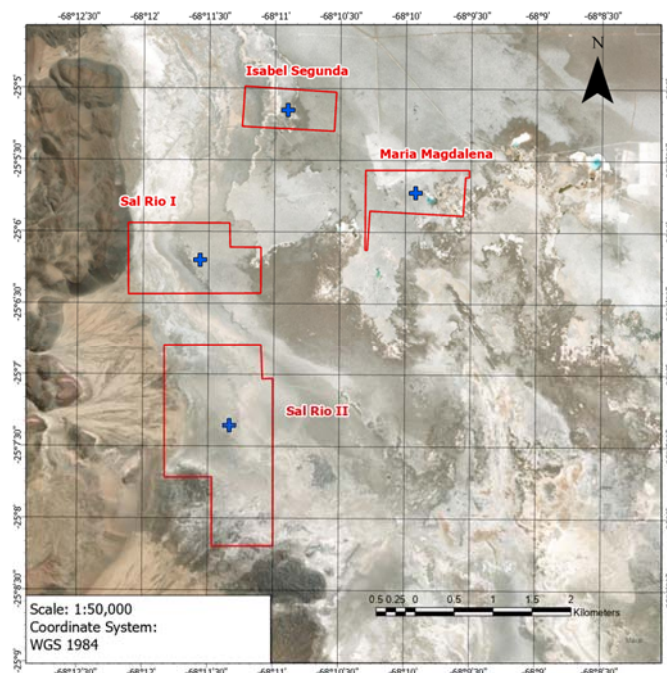


The thickness and contiguity of the high conductivity layers identified in the CSAMT data on these tenements make them a high priority target for future lithium brine exploration activities.

## Maiden Drilling Program

The Company has commenced its highly anticipated maiden drilling campaign following the receipt of advanced exploration environmental permits from the Salta Mining Secretary. These permits were awarded following the completion of various submissions to judiciary authorities which were approved on 29 December 2023 resulting in the drilling permits approval on 4 January 2024.

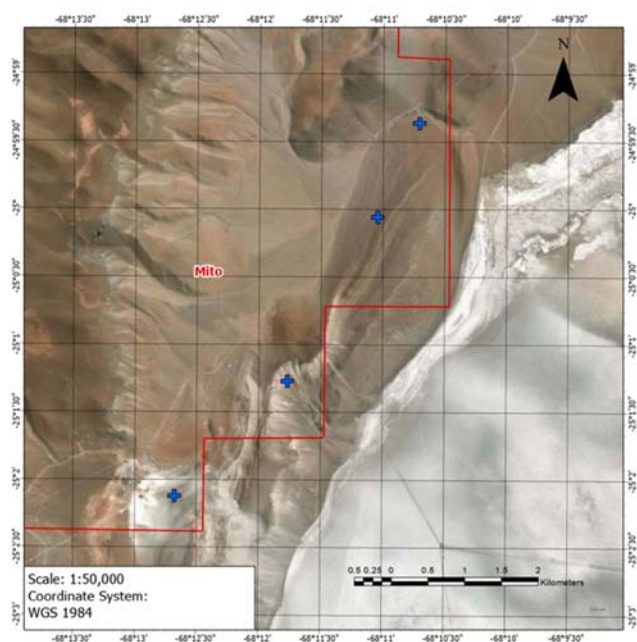
The maiden drilling program will comprise an initial 4 diamond drill holes on the southern tenements per Figure 7, with a pumping well to also be drilled with its location to be determined following initial results from the first 2 holes to be drilled at the Sal Rio II and Maria Magdalena tenements.



**Figure 9: Proposed locations of Stage 1 Exploration Drill Holes**

The drilling is anticipated to reach depths of 500-600m below surface, significantly deeper than the existing defined JORC mineral resource depth. Each hole is anticipated to take approximately 1 month to complete with the program length dependant on number of rigs operating simultaneously. Pursuit is targeting a material resource upgrade which will build on the recent inferred maiden resource.

Following the completion of the Stage 1 drilling program, the Company will look to commence the Stage 2 drilling program at the Mito tenement.



**Figure 10: Proposed locations of Stage 2 Exploration Drill Holes**

The drilling program at the Mito tenement will seek to further upgrade the resource beyond the Stage 1 program focusing on targets outlined in the CSAMT survey.

### Lithium Carbonate Pilot Plant

During the period, Pursuit completed the purchase of a lithium carbonate pilot plant located in Salta, Argentina. The purchase consideration paid was US\$365,000, much lower than its replacement cost. The plant was originally constructed in 2013 and purchased by the vendor at a cost of ~US\$3.6 million. When in previous operation, the plant achieved a run rate of 750kg/d+ (100tpa nameplate capacity) and employed 33 people for a period of 12 months.



Figure 11: Pilot Plant interior view in original location showing dryer and filter press

Pursuit's primary focus and principal Stage 1 production milestone is to produce consistent technical and battery grade Lithium Carbonate Equivalent ("LCE") product from on-going continuous operations, whilst also confirming the chemical engineering and block flow process is efficient, cost effective and scalable for all development stages of the Rio Grande Sur Project.

Following completion of the acquisition, the Company progressed with relocation of the plant to a purpose facility to commence commissioning and start up works of the Lithium Carbonate Pilot Plant. The plant is currently in the process of being commissioned with equipment currently being refurbished for testing of the circuit and first production of material. This process is being overseen by Pursuit's plant operations and engineering team led by:

#### Pedro Mauricio Torres

Senior Lithium Process Engineer.

Mr. Torres has been working for more than 15 years in Lithium Projects (Process, Operation, Engineering and Project area), in Chile where he worked for more than 10 years in a senior role at SQM (NYSE:SQM) and was in charge of carrying out the commissioning of the new La Negra Lithium Hydroxide Plant. In addition, Mr. Torres has held senior roles with Galaxy Lithium now Allkem (ASX:AKE) and Alpha Lithium Corp (NEO: ALLI | OTC: APHLF | FRB: 765). Mr. Torres is an engineer with significant experience in the development of lithium processing operations with a strong technical profile. He is one of the founders of Beyond Lithium LLC Consultants.



Adrian Arias

Senior Lithium Brine Technology Engineer

Mr. Arias has held senior roles with several different Lithium development companies with vast experience in Argentina, with a focus on the development of chemical plants. Mr Arias was formerly the Process Manager of the Sal de Vida Project of Allkem (ASX:AKE) in addition to being a consultant of Alpha Lithium Corp (NEO: ALLI | OTC: APLHF | FRB: 765) in the establishment of its Pilot Plant at the Tolilar Salar. Currently, Mr. Arias is the leader of technology development for Beyond Lithium LLC, where his experience in laboratories, field testing and operations development positions him as a leader in the construction of Lithium Projects focusing on the brines of the Argentine Puna.



**Figure 12: Plant mixing tanks and columns being refurbished at the new Pursuit Lithium Facility in Salta, Argentina**

During the period Pursuit commissioned a study to outline a process route for the Rio Grande Brines through development of a dynamic mass balance for the production of battery grade lithium carbonate, through the use of evaporation ponds and a lithium carbonate plant.

To achieve this production, the following consecutive stages are defined:

- Solar evaporation through Halite Ponds
- Impurity removal through Liming Plant
- Solar evaporation through Sylvinite Ponds
- Boron removal through solvent extraction (SX)
- Calcium and Magnesium (impurity removal) through reagent addition
- Calcium and Magnesium removal through ion exchange columns (IX)
- Lithium carbonate precipitation through soda ash addition
- Drying and cooling

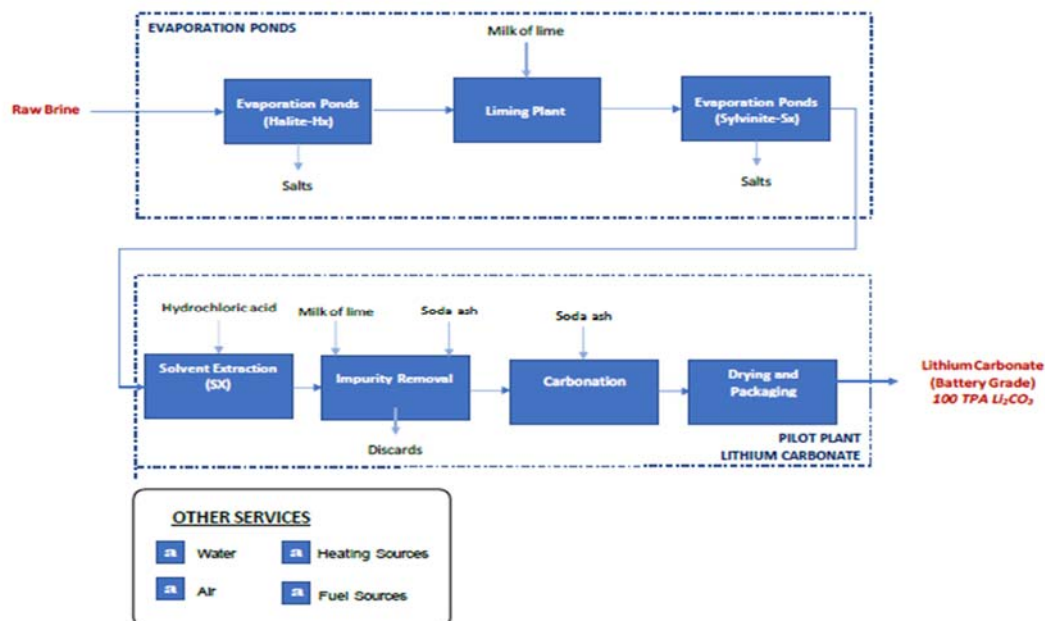


Figure 13: Block diagram of the main stages of the Evaporation Ponds and Lithium Carbonate Plant

Building on the previous works, Pursuit's engineering team has carried out a gap analysis of the pilot plant equipment to identify the additional tanks and equipment required to upgrade the plant capacity from its existing 100tpa to 250tpa with the following operations layout designed.

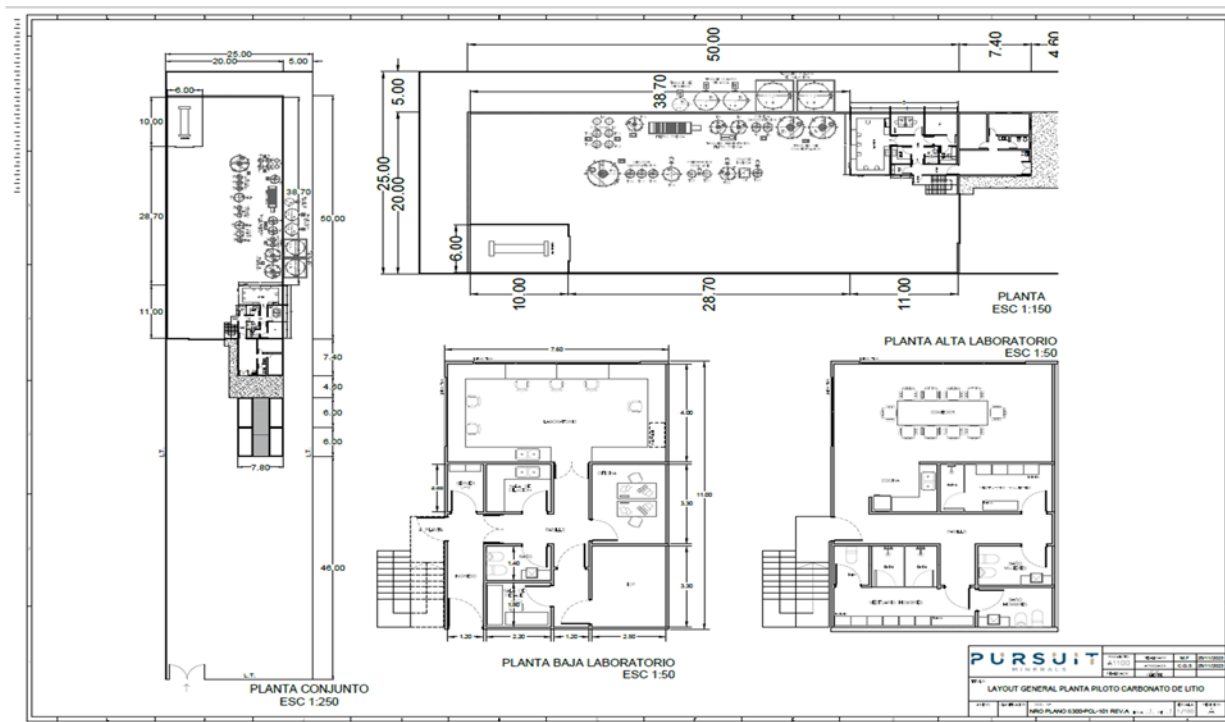


Figure 14: Pursuit Lithium Carbonate 250tpa Plant Design Layout

In conjunction with the plant layout Pursuit's engineering team has developed an upgraded mass balance and plant design for increased capacity to 250tpa. The plant design has been separated into two stages, the liming plant component, which is intended to be constructed at site upon relocation of the plant to the Salar, and the process circuit, which is currently being commissioned for operation at Pursuit's facility in Salta.

It is expected that the upgraded 250tpa plant will produce a 99.5% battery grade Lithium Carbonate, a product with guaranteed 99.5 wt. % purity and a relatively fine particle size. Battery Grade product is a superior purity grade for use as a precursor in making critical battery materials.

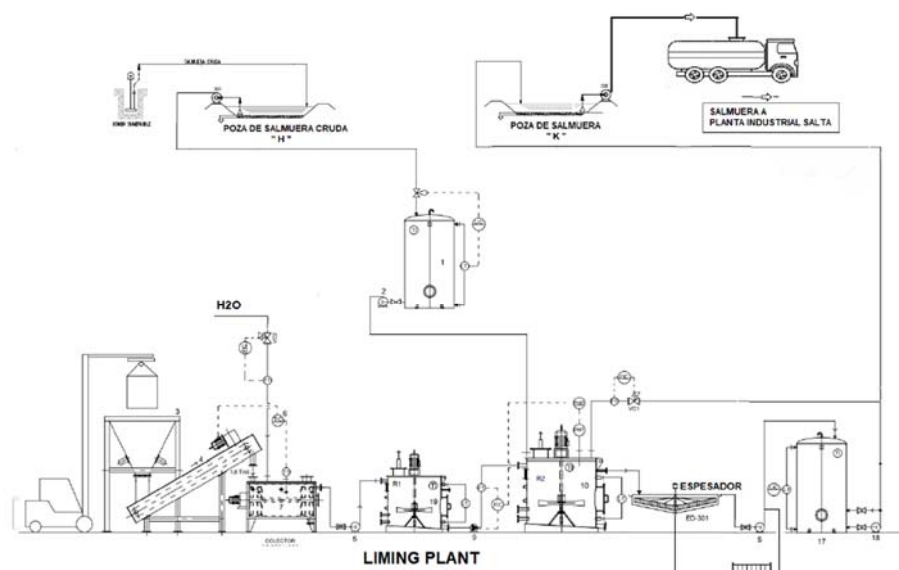


Figure 15: Liming Plant Engineering Design

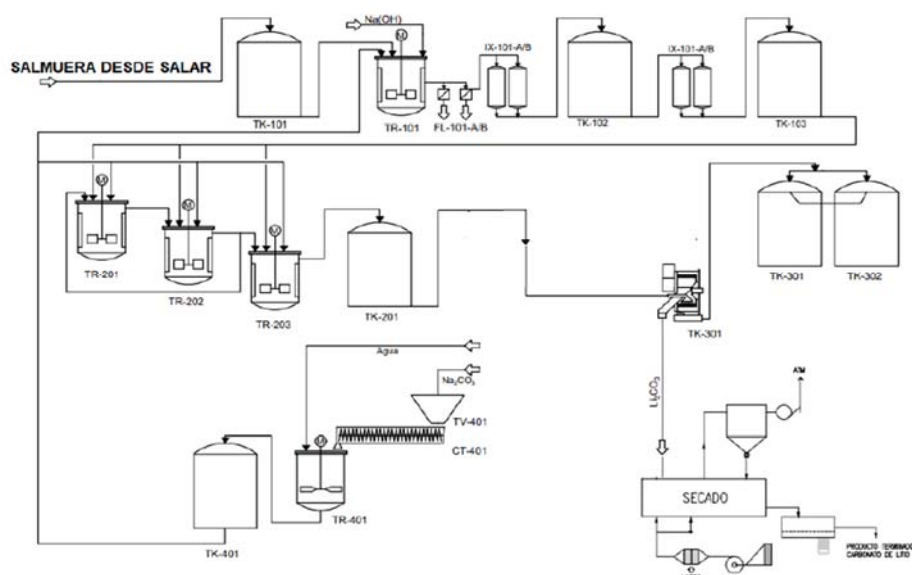
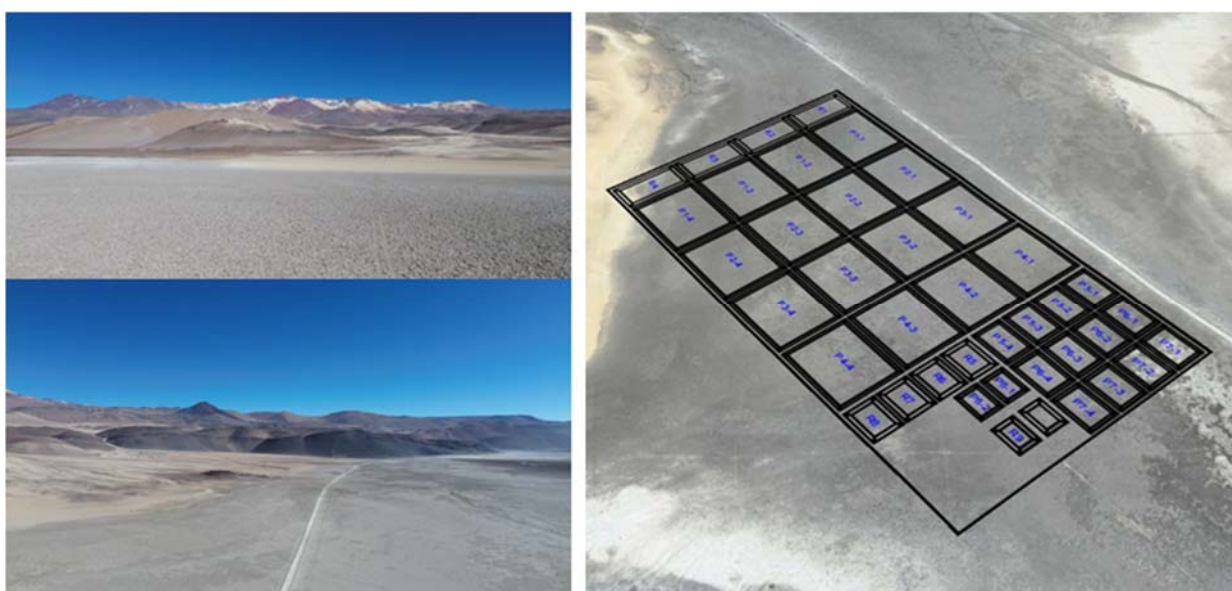


Figure 16: Lithium Carbonate Plant Engineering Design

It is intended that the plant refurbishment, capacity upgrade and commissioning will be completed in the first quarter of 2024 where the Pilot Plant will have an operational capacity of 250tpa, upon which Pursuit's engineering team will commence production of Lithium Carbonate from the plant.

It is anticipated that first production will occur at small scale (1-250kg) in the first half of 2024. Small scale production (0.25-2t) of material will be produced from evaporated brines obtained through out the drilling program currently being targeted for Q2 2025.

Currently, Pursuit's engineering team is developing the pond layout and design for the 250tpa plant for the environmental permit applications for construction of the evaporation ponds. The construction of the ponds is anticipated to occur in the second half of 2024 subject to environmental approvals from discussions with the Salta Mining Secretary, other relevant government stakeholders and Pursuit board approval. The ponds and plant are intended to be located on the Sal Rio 02 tenement where first continuous production of Lithium Carbonate at site could occur in 2025.



**Figure 17: Proposed Pond Location and 250tpa Layout at Rio Grande Sur**

Pursuit has also received several expressions of interest for off-take agreements for the initial 250 tonnes of Lithium Carbonate production which will be advanced in the development of the project inclusive of identifying appropriate methods of financing construction of the evaporation ponds and site facilities.

Despite short term volatility in the price of Lithium Carbonate, long term security of supply remains a constant driver of market demand with forecasts stating that demand could increase 225% to 2.6 million tons of lithium carbonate equivalent (LCE) globally by 2030, a compound annual growth rate of 16%.

It is expected that Lithium Carbonate will continue to be the material of choice due to its use in Lithium Iron Phosphate Batteries (LFP). LFP batteries accounted for 65.81% of China's total battery output in the first six months of 2023, while nickel manganese cobalt batteries made up 33.91%. In August 2023, Chinese battery manufacturer CATL announced a new fast-charging LFP battery which will be capable of 400km of travel from a ten-minute charge. CATL expects mass production of the battery to begin by the end of 2024.



**WA Project Portfolio**

Late last year, the Group engaged an Independent Expert to complete a Report on the Warrior and Commando Projects.

Pursuit has received a number of third-party expressions of interest to acquire or joint-venture our WA projects, which the board continues to review and evaluate.

The Group intends to continue to assess these projects, however, is currently focused on delivering the Rio Grande Sur Lithium Project.

**Corporate**

The Group held cash of \$2.7 million at the half- year end, up from \$2.4 million at 30 June 2023.

During the period:

- the Company completed a private placement of 250,000,000 fully paid ordinary shares to the clients of Inyati Capital Pty Ltd (Inyati) and CPS Capital Group Pty Ltd (CPS Capital) as announced on 19 July 2023. The Placement Shares were issued with an issue price of \$0.012 per Placement Share, raising \$3,000,000 (before costs), in addition, 25,000,000 options exercisable on or before 27 July 2026 to Inyati and CPS Capital for distribution to the brokers that assisted with the Placement. The options are exercisable at 1.8 cents per share on or before 3 years from their date of issue. Inyati and CPS Capital have been paid a cash fee equal to 6% of the amount raised under the Placement. The Placement Shares were issued in a single tranche using the Company's existing placement capacity under LR7.1 with the other securities issued under 7.1A.
- On 27 July 2023, the Company issued 31,250,000 Shares for nil cash consideration to S3 Consortium Pty Ltd (Stocks Digital), topping up Stocks Digital's marketing services with an additional \$375,000 worth of services at a deemed issue price of \$0.012 per Share.
- The Company issued 56,000,000 fully paid ordinary shares following the exercise of 36,000,000 Director Options on 27 July 2023 and the conversion of 20,000,000 Director Performance Rights on 28 July 2023 (held by entities controlled by Mark Freeman and Peter Wall, the Finance Director and Chairman of the Company).
- On 11 December 2023, the Company issued 50,000,000 Class D Performance Rights and 50,000,000 Class E Performance Rights to the Directors
- On the 17th August 2023, the Company announced the completion of the acquisition of a Lithium Carbonate Pilot Plant located in the city of Salta, Argentina for a total purchase price of US\$365,000.

**EVENTS OCCURRING AFTER REPORTING PERIOD**

On 8 January 2024, the Company announced it has commenced the highly anticipated maiden drilling campaign following the receipt of advanced exploration environmental permits from the Salta Mining Secretary. These permits were awarded following the completion of various submissions to judiciary authorities which were approved on 29 December 2023 resulting in the drilling permits approval on 4 January 2024.

The maiden drilling program will comprise an initial 4 diamond drill holes on the southern tenements as shown on the map at Figure 1, with a pumping well to also be drilled with its location to be determined following initial results from the first 2 holes to be drilled at the Maria Magdalena and Sal Rio II tenements.

The drilling is anticipated to reach depths of 500-600m below surface, significantly deeper than the existing defined JORC mineral resource depth. The drilling contractor, drilling rigs and geological team will begin

mobilising over the next week with drilling operations expected to commence towards the end of January / start of February 2024. Each hole is anticipated to take approximately 1 month to complete with the program length dependant on number of rigs operating simultaneously. Pursuit is targeting a material resource upgrade in the 2nd quarter of 2024 which will build on the recent maiden resource defined at the Rio Grande Sur Project.

The anticipated increase to Rio Grande Sur mineral resource will allow for the support of a larger commercial operation to be anticipated in the project feasibility study which is scheduled for delivery in Q4, 2024.

On 6 February 2024, 15,000,000 unvested C Class Performance Rights were cancelled as they had been forfeited by former key employees of the Company under the Pursuit Performance Rights and Option Plan. The Performance Rights Plan was approved by Shareholders at the Company's Annual General Meeting (AGM) on 31 January 2022, with the vesting conditions varied at the AGM held on 25 November 2022.

The Directors are not aware of any other matters or circumstances not otherwise dealt with in this report that have significantly, or may significantly affect the operations, results or state of affairs of the Consolidated Entity.

#### **ROUNDING**

Rounding of amounts in accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191. The amounts in the Directors' report and in the financial report have been rounded to the nearest dollar.

#### **AUDITOR'S DECLARATION OF INDEPENDENCE**

The auditor's independence declaration for the half-year ended 31 December 2023 has been received and is included within the financial statements.

Signed in accordance with a resolution of the Directors.



Aaron Revelle  
Managing Director & CEO  
14 March 2024

## DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF PURSUIT MINERALS LIMITED

As lead auditor for the review of Pursuit Minerals Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pursuit Minerals Limited and the entities it controlled during the period.



**Jarrad Prue**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth

14 March 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pursuit Minerals Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Pursuit Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



### **Responsibility of the directors for the financial report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit (WA) Pty Ltd**



**Jarrad Prue**

**Director**

Perth, 14 March 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023



|  | Note | Half-year ended<br>31 December<br>2023<br>\$ | Half-year ended<br>31 December<br>2022<br>\$ |
|--|------|--|--|
| Other income   | 3    | 17,542                                       | 34,137                                       |
| Administrative and other expenses                                      | 4    | (1,119,906)                                  | (496,974)                                    |
| Exploration and evaluation expenditure                                 |      | (141,614)                                    | -  |
| Fair value movement on financial assets                                |      | (309,300)                                    | (584,278)                                    |
| Share based payments   | 9    | (26,836)                                     | (446,241)                                    |
| <b>Loss before income tax</b>  |      | <b>(1,580,114)</b>                           | <b>(1,493,356)</b>                           |
| Income tax benefit/(expense)   |      | -  | -  |
| <b>Loss after income tax</b>   |      | <b>(1,580,114)</b>                           | <b>(1,493,356)</b>                           |
| <b>Other comprehensive income</b>                                      |      | -  | -  |
| <i>Items that may be reclassified subsequently to profit and loss:</i> |      |  |  |
| Exchange gain on translation of foreign operations                     |      | (231,114)                                    | -  |
| <b>Total comprehensive loss for the half-year</b>                      |      | <b>(1,811,228)</b>                           | <b>(1,493,356)</b>                           |
| Total comprehensive loss attributable to:                              |      |  |  |
| Owners of the Company  |      | (1,811,228)                                  | (1,493,356)                                  |
|  |      | <b>(1,811,228)</b>                           | <b>(1,493,356)</b>                           |
| Basic loss per share (cents) from continuing operations                |      | (0.064)                                      | (0.15)                                       |
| Diluted loss per share (cents) from continuing operations              |      | (0.064)                                      | (0.15)                                       |

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**



|   | <b>Note</b> | <b>Consolidated<br/>31 December<br/>2023<br/>\$</b> | <b>Consolidated<br/>30 June<br/>2023<br/>\$</b> |
|---|-------------|---|---|
| <b>ASSETS</b>   |             |   |   |
| <b>Current Assets</b>                                 |             |   |   |
| Cash and cash equivalents                             |             | <b>2,702,576</b>                                    | 2,392,261                                       |
| Trade and other receivables                           | 6           | <b>114,552</b>                                      | 257,373   |
| Prepayments   |             | <b>395,150</b>                                      | 383,459   |
| <b>Total Current Assets</b>                           |             | <b>3,212,278</b>                                    | 3,033,093                                       |
| <b>Non-Current Assets</b>                             |             |   |   |
| Financial assets at fair value through profit or loss | 10          | <b>339,279</b>                                      | 648,579   |
| Exploration and evaluation assets                     | 7           | <b>44,130,519</b>                                   | 43,649,531                                      |
| Plant and equipment                                   |             | <b>566,117</b>                                      | 24,628  |
| <b>Total Non-Current Assets</b>                       |             | <b>45,035,915</b>                                   | 44,322,738                                      |
| <b>Total Assets</b>                                   |             | <b>48,248,193</b>                                   | 47,355,831                                      |
| <b>LIABILITIES</b>                                    |             |   |   |
| <b>Current Liabilities</b>                            |             |   |   |
| Trade and other payables                              |             | <b>180,107</b>                                      | 946,103   |
| <b>Total Current Liabilities</b>                      |             | <b>180,107</b>                                      | 946,103   |
| <b>Total Liabilities</b>                              |             | <b>180,107</b>                                      | 946,103   |
| <b>Net Assets</b>                                     |             | <b>48,068,086</b>                                   | 46,409,728                                      |
| <b>EQUITY</b>   |             |   |   |
| Contributed equity                                    | 8           | <b>108,859,939</b>                                  | 105,584,561                                     |
| Share based payments reserve                          | 9           | <b>16,261,348</b>                                   | 16,067,140                                      |
| Foreign currency translation reserve                  |             | <b>(605,203)</b>                                    | (374,089)                                       |
| Accumulated losses                                    |             | <b>(76,447,998)</b>                                 | (74,867,884)                                    |
| <b>Total Equity</b>                                   |             | <b>48,068,086</b>                                   | 46,409,728                                      |

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



| <b>Consolidated Entity</b>                                | <b>Contributed<br/>Equity</b> | <b>Share Based<br/>Payment<br/>Reserve</b> | <b>Foreign<br/>currency<br/>translation<br/>reserve</b> | <b>Accumulated<br/>Losses</b> | <b>Total</b>       |
|---|-------------------------------|--|---|-------------------------------|--------------------|
|   | <b>\$</b>                     | <b>\$</b>                                  | <b>\$</b>   | <b>\$</b>                     | <b>\$</b>          |
| <b>Balance at 1 July 2023</b>                             | <b>105,584,561</b>            | <b>16,067,140</b>                          | <b>(374,089)</b>  | <b>(74,867,884)</b>           | <b>46,409,728</b>  |
| (Loss) for the half-year                                  | -                             | -  | -   | (1,580,114)                   | (1,580,114)        |
| Other comprehensive income for the half-year              | -                             | -  | (231,114)   | -                             | (231,114)          |
| <b>Total comprehensive loss for the half-year</b>         | <b>-</b>                      | <b>-</b>                                   | <b>(231,114)</b>  | <b>(1,580,114)</b>            | <b>(1,811,228)</b> |
| Shares issued during the half-year, net of issuance costs | 3,275,378                     | -  | -   | -                             | 3,275,378          |
| Options and performance rights issued                     | -                             | 194,208                                    | -   | -                             | 194,208            |
| <b>Balance at 31 December 2023</b>                        | <b>108,859,939</b>            | <b>16,261,348</b>                          | <b>(605,203)</b>  | <b>(76,447,998)</b>           | <b>48,068,086</b>  |
| <b>Balance at 1 July 2022</b>                             | <b>75,156,766</b>             | <b>7,904,882</b>                           | <b>-</b>  | <b>(70,472,184)</b>           | <b>12,589,464</b>  |
| (Loss) for the half-year                                  | -                             | -  | -   | (1,493,356)                   | (1,493,356)        |
| <b>Total comprehensive loss for the half-year</b>         | <b>-</b>                      | <b>-</b>                                   | <b>-</b>  | <b>(1,493,356)</b>            | <b>(1,493,356)</b> |
| Shares issued during the half-year, net of issuance costs | 1,883,206                     | -  | -   | -                             | 1,883,206          |
| Options and performance rights issued                     | -                             | 446,241                                    | -   | -                             | 446,241            |
| <b>Balance at 31 December 2022</b>                        | <b>77,039,972</b>             | <b>8,351,123</b>                           | <b>-</b>  | <b>(71,965,540)</b>           | <b>13,425,555</b>  |

The accompanying notes form part of these financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**



|  | 31 December<br>2023<br>\$ | 31 December<br>2022<br>\$ |
|--|---------------------------|---------------------------|
| <b>Cash flows from operating activities</b>          |                           |                           |
| Payments to suppliers and employees                  | (1,231,255)               | (520,140)                 |
| Interest received                                    | -                         | 4,137                     |
| Interest paid  | (3,151)                   | -                         |
|  | <hr/>                     | <hr/>                     |
| Net cash used in operating activities                | (1,234,406)               | (516,003)                 |
| <b>Cash flows from investing activities</b>          |                           |                           |
| Payments for plant and equipment                     | (566,117)                 | -                         |
| Proceeds from the sale of plant and equipment        | 38,819                    | -                         |
| Payment for exploration and evaluation assets        | (939,339)                 | (396,417)                 |
|  | <hr/>                     | <hr/>                     |
| Net cash used in investing activities                | (1,466,637)               | (396,417)                 |
| <b>Cash flows from financing activities</b>          |                           |                           |
| Proceeds from share issues                           | 3,252,250                 | 1,500,000                 |
| Costs of issuing equity                              | (184,500)                 | (30,000)                  |
| Repayment of Borrowings                              | (56,392)                  | -                         |
|  | <hr/>                     | <hr/>                     |
| Net cash provided from financing activities          | 3,011,358                 | 1,470,000                 |
| Net increase/(decrease) in cash held                 | 310,315                   | 557,580                   |
| Cash and cash equivalents at beginning of the period | 2,392,261                 | 6,207,510                 |
|  | <hr/>                     | <hr/>                     |
| Cash and cash equivalents at end of the period       | 2,702,576                 | 6,765,090                 |

The accompanying notes form part of these financial statements.

**1. Corporate Information**

This condensed general purpose financial report of Pursuit Minerals Ltd (“the Company”) and its controlled entities (the “Group”) for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 14 March 2024.

The Company’s principal activities is conducting mineral exploration activities and development activities at its Rio Grande Sur Lithium Project in Argentina. The Company additionally holds a portfolio of mineral exploration projects in WA. The Company is incorporated in Australia and limited by shares which are quoted on the Australian Securities Exchange.

**2. Basis of preparation of half-year report**

This condensed general purpose financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-yearly financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting.

The half-year financial report has been prepared on an historical cost basis, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

**Adoption of new and revised Accounting Standards**

In the half-year ended 31 December 2023, the Directors have reviewed all new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity and effective for the current reporting period. The overall impact on the Consolidated Entity’s reported results for the half-year was nil. Other standards and interpretations that are issued, but not yet effective, have not been early adopted and they are not expected to impact the Company.

**Standards issued but not yet effective**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been early adopted by the Group for the reporting period ended 31 December 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations and these standards are not expected to have a material impact.

**Critical accounting estimates and judgements**

The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

In preparing the half-year consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at and for the year ended 30 June 2023.

## 2. *Basis of preparation of half-year report (continued)*

### Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company incurred a net loss of \$684,425 for the half-year to 31 December 2023 (31 December 2022: net loss \$376,099) and had cash outflows from operating activities of \$334,503 for the half-year (31 December 2022: outflows \$332,744). Notwithstanding this, the financial report has been prepared on a going concern basis which the Directors consider to be appropriate based upon the available cash assets of \$931,213 as at 31 December 2023 (30 June 2023: \$2,392,261).

The ability of the Company to continue as a going concern is dependent on the Company being able to raise additional funds as required to meet ongoing exploration commitments and for working capital. These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As a result, the financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Directors are confident in the Company's ability to raise the capital mentioned above due to historical experience in securing funding for ongoing operational requirements, ongoing communications with funding providers and major shareholders; and
- The Directors are also confident they can manage discretionary spending to ensure that cash is available to meet debts as and when they fall due.

However, should the Company be unsuccessful in undertaking additional raisings, the Company may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

Should the going concern basis not be appropriate, the entity may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

### Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest dollar, or in certain cases to the nearest thousand dollars.

| 3. <i>Other income</i>   | 31 December<br>2023<br>\$ | 31 December<br>2022<br>\$ |
|--|---------------------------|---------------------------|
| Gain on disposal of Plant & Equipment                                    | 17,191                    | -                         |
| Gain on swap of Gladiator Tenements for Oriental Prospect (refer note 7) | -                         | 30,000                    |
| Interest income  | -                         | 4,137                     |
| Other  | 351                       | -                         |

|  | 17,542                           | 34,137                  |
|--|----------------------------------|-------------------------|
| 4. Expenses  | 31 December 2023                 | 31 December 2022        |
|  | \$                               | \$                      |
| <b>Administrative and other expenses</b>                   |                                  |                         |
| Accounting fees  | 163,038                          | 33,525                  |
| Auditor's remuneration                                     | 29,134                           | 19,382                  |
| Consulting fees  | 269,834                          | 6,900                   |
| Depreciation   | 3,000                            | 9,000                   |
| Loss on transfer of tenements                              | -                                | 30,000                  |
| Directors and Key Management Personnel remuneration        | 238,400                          | 250,973                 |
| Rent   | 1,200                            | 7,200                   |
| Legal and regulatory                                       | 78,459                           | 78,108                  |
| Public relations   | 108,716                          | 10,150                  |
| Other administrative expenses                              | 228,125                          | 51,736                  |
|  | <b>1,119,906</b>                 | <b>496,974</b>          |
|  |                                  |                         |
| 6. Trade and other receivables                             | 31 December 2023                 | 30 June 2023            |
|  | \$                               | \$                      |
| Goods and services tax receivable                          | 109,291                          | 161,604                 |
| Other receivables  | 5,261                            | 95,769                  |
|  | <b>114,552</b>                   | <b>257,373</b>          |
|  |                                  |                         |
| 7. Exploration and evaluation assets                       | 31 December 2023                 | 30 June 2023            |
|  | \$                               | \$                      |
| Balance at end of period                                   | <b>44,130,519</b>                | <b>43,649,531</b>       |
|  |                                  |                         |
|  | Half year ended 31 December 2023 | Year ended 30 June 2023 |
|  | \$                               | \$                      |
| Balance at beginning of period                             | 43,649,531                       | 5,218,125               |
| Exploration expenditure capitalised during the period      | 725,732                          | 1,767,197               |
| Acquisition of Commando Project <sup>(i)</sup>             | -                                | 256,106                 |
| Oriental Prospect – Swap <sup>(iii)</sup>                  | -                                | 70,000                  |
| Acquisition of shares in Trilogy Minerals <sup>(iii)</sup> | -                                | 36,830,103              |
| Foreign currency impact                                    | (244,744)                        | (492,000)               |
| Balance at end of period                                   | <b>44,130,519</b>                | <b>43,649,531</b>       |

The ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(i) **Commando Project**

On 19 December 2022, the Company issued 13,336,372 Shares to exercise the option to acquire a 100% interest in the Commando Project Tenements (shares are escrowed for 3 months).

(ii) **Oriental Prospect (part of Commando Project)**

On 27 April 2022, the Company announced the sale of the Gladiator Tenements for \$30,000 and the acquisition of the Oriental Prospect for \$100,000 with a net payment of \$70,000 owing. The transaction settled on 9 September 2022 following which the Company issued 4,880,000 shares (value \$70,000) on 9 September 2022.

(iii) **Acquisition of Trilogy Minerals**

On 29th March 2023, Pursuit Minerals completed the acquisition of 100% of Trilogy Minerals Pty Ltd. The Company issued 1,375,000,000 ordinary shares and 710,016,585 performance shares. The Rio Grande Sur Project is an advanced stage lithium development prospect in the Salta province of Argentina covering 9,260 hectares on the Rio Grande Salar. As part of the transaction, Pursuit also acquired the Cateo licence for US\$1.94m and the issue of 20.80 million shares. Refer to Note 12 in the 2023 Annual Report for further information. The value of the ordinary shares were based on the share price on the date of settlement, while the performance shares were valued by an independent valuer.

In line with relevant accounting standards, the Company has treated the acquisition of Trilogy Minerals Pty Ltd as an asset acquisition and a share-based payment transaction under AASB 2 Share Based Payments. Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. Acquisition related costs with regards to the acquisition are capitalised. Identifiable assets acquired and liabilities assumed in the acquisition are measured at their fair value at the acquisition date.

|   | <b>2023</b>       |
|---|-------------------|
|   | <b>\$</b>         |
| Purchase Consideration (excluding transaction costs):                             |                   |
| - Cash consideration - Cateo  | 2,900,000         |
| - Non-cash consideration – Cateo (20,833,334 shares at \$0.02)                    | 416,667           |
| - Non-cash consideration – at settlement (1,375,000,000 shares at \$0.02)         | 27,500,000        |
| - Deferred consideration – non-cash (19,666,666 performance shares)               | 5,606,497         |
| Transaction costs (stamp duty)  | 406,939           |
| <b>Total Purchase Consideration</b>   | <b>36,830,103</b> |
| Exploration & Evaluation  | 7,963,973         |
| Cash  | 181               |
| GST Receivables   | 40,679            |
| Convertible Notes   | (8,805,000)       |
| Loan  | (50,000)          |
| Net Liability Acquired (Capital Raising Costs)                                    | 492,000           |
| <b>Fair value of Trilogy Minerals capitalised as Exploration Acquisition cost</b> | <b>36,471,936</b> |



| 8. Contributed equity      | 31 December 2023 |  | 30 June 2023 |  |
|----------------------------|------------------|--|--------------|--|
|                            | \$               |  | \$           |  |
| Share capital              |                  |  |              |  |
| Ordinary fully paid shares | 108,859,939      |  | 105,584,561  |  |

|  | Half year ended 31 December 2023 |             | Half year ended 31 December 2022 |            |
|--|----------------------------------|-------------|----------------------------------|------------|
|  | No.                              | \$          | No.                              | \$         |
| Balance at beginning of period                           | 2,561,721,416                    | 105,584,561 | 948,299,194                      | 75,156,766 |
| Exercise of options <sup>(i)</sup>                       | 56,000,000                       | 252,000     | -                                | -          |
| Shares issued in lieu of marketing costs <sup>(ii)</sup> | 31,250,000                       | 375,000     | -                                | -          |
| Acquisition of Commando Project <sup>(iii)</sup>         | -                                | -           | 13,336,372                       | 250,106    |
| Acquisition of Oriental Prospect <sup>(iv)</sup>         | -                                | -           | 4,880,000                        | 70,000     |
| Placement @ \$0.012 per share <sup>(v)</sup>             | 250,000,000                      | 3,000,000   | 125,000,000                      | 1,500,000  |
| Shares issued in lieu of Director fees                   | -                                | -           | 6,034,288                        | 93,100     |
| Share issue costs  | -                                | (351,622)   | -                                | (30,000)   |
| Balance at end of period                                 | 2,898,971,416                    | 108,859,939 | 1,097,549,854                    | 77,039,972 |

(i) The Company issued 56,000,000 fully paid ordinary shares following the exercise of 36,000,000 Director Options and the conversion of 20,000,000 Director Performance Rights (held by entities controlled by Mark Freeman and Peter Wall, the Finance Director and Chairman of the Company).

(ii) S3 Consortium Pty Ltd (Stocks Digital) were issued 31,250,000 Shares for nil cash consideration, topping up Stocks Digital's marketing services with an additional \$375,000 worth of services at a deemed issue price of \$A0.012 per Share.

(iii) On 19 December 2022, the Company issued 13,336,372 shares (value \$250,106) to exercise the option to acquire 100% of the Commando Project.

(iv) On 9 September 2022 the Company issued 4,880,000 shares (value \$70,000) as part of a deal to swap the Gladiator Tenements for the Oriental exploration prospect (part of the Commando Project).

(v) The Company completed a private placement of 250,000,000 fully paid ordinary shares to the clients of Inyati Capital Pty Ltd (Inyati) and CPS Capital Group Pty Ltd (CPS Capital) as announced on 19 July 2023. The Placement Shares were issued with an issue price of \$0.012 per Placement Share, raising \$3,000,000 (before costs), in addition, 25,000,000 options exercisable on or before 27 July 2026 to Inyati and CPS Capital for distribution to the brokers that assisted with the Placement. The options are exercisable at 1.8 cents per share on or before 3 years from their date of issue. Inyati and CPS Capital have been paid a cash fee equal to 6% of the amount raised under the Placement. The Placement Shares were issued in a single tranche using the Company's existing placement capacity under LR7.1 with the other securities issued under 7.1A.

|   | Half year ended 31 December 2023 | Half year ended 31 December 2022 |
|---|----------------------------------|----------------------------------|
| Options on issue                                      | No.                              | No.                              |
| Balance at beginning of period                        | 158,500,000                      | 38,500,000                       |
| Options Issued as consideration for private placement | 25,000,000                       | -                                |
| Options exercised                                     | (36,000,000)                     | -                                |
| Balance at end of period                              | 147,500,000                      | 38,500,000                       |

8. **Contributed equity** (continued)

|  | Half year ended<br>31 December<br>2023<br>No. | Half year ended<br>31 December<br>2022<br>No. |
|--|---|---|
| <b>Performance rights on issue</b>   |   |   |
| Balance at beginning of period   | 40,000,000                                    | 64,500,000                                    |
| Performance rights to directors <sup>(i)</sup>                                   | 100,000,000                                   | 5,000,000                                     |
| Performance rights cancelled to directors, consultants and staff <sup>(ii)</sup> | (15,000,000)                                  | (9,500,000)                                   |
| Performance rights exercised <sup>(iii)</sup>                                    | (20,000,000)                                  | -   |
| Balance at end of period   | <u>105,000,000</u>                            | <u>60,000,000</u>                             |

- (i) The Company issued 100,000,000 performance rights to the Directors of the Company following approval by shareholders at the annual general meeting held on 28 November 2023 (refer to Note 9).
- (ii) On the 6 February 2024, 15,000,000 unvested C Class Performance Rights were cancelled as they had been forfeited by former key employees of the Company under the Pursuit Performance Rights and Option Plan. The forfeiture of the Performance Rights occurred prior to 31 December 2023 and are therefore reflected in the half year results.
- (iii) On the 27 July 2023, the Company converted 20,000,000 Director performance rights (held by entities controlled by Mark Freeman and Peter Wall, the Finance Director, and Chairman of the Company) into 20,000,000 ordinary shares.

9. **Share based payment reserve**

|  | 31 December 2023<br>\$                    | 30 June 2023<br>\$                        |
|--|---|---|
|  | <u>16,261,348</u>                         | <u>16,067,140</u>                         |
|  | Half year ended<br>31 December 2023<br>\$ | Half-year ended<br>31 December 2022<br>\$ |
| Opening balance  | 16,067,140                                | 7,904,882                                 |
| Share-based payment expense – performance rights/options issued to management <sup>(i)</sup> | 26,836                                    | 446,241                                   |
| Performance rights/ Options issued on capital raising <sup>(ii)</sup>                        | 167,372                                   |   |
| Closing balance  | <u>16,261,348</u>                         | <u>8,351,123</u>                          |

The Share based payment reserve is used to record the fair value of items recognised as expenses on valuation of options, performance rights and other equity instruments issued by the Company.

- (i) During the Annual General Meeting held on 28 November 2023 the following was resolved and included within the Share-based expense:

- The Company issued the following performance rights to the Directors of the Company.

|                     |                                       |
|---------------------|---------------------------------------|
| Peter Wall          | 12,500,000 Class D Performance Rights |
|                     | 12,500,000 Class E Performance Rights |
| Aaron Revelle       | 25,000,000 Class D Performance Rights |
|                     | 25,000,000 Class E Performance Rights |
| Ernest Thomas Eadie | 12,500,000 Class D Performance Rights |
|                     | 12,500,000 Class E Performance Rights |

**9 Share based payment reserve** (continued).

The Class D Performance Rights will vest if the volume weighted average price (VWAP) of Shares trading on the ASX in the ordinary course of trade are at least \$0.025 over 20 consecutive trading days (on which Shares have actually traded) with such milestones having a drop-dead date of 18 months from the date of issue of the Performance Rights.

The Class E Performance Rights will vest if the VWAP is at least \$0.035 over 20 consecutive trading days (on which Shares have actually traded) with such milestones having a drop-dead date of 3 years from the date of issue of the Performance Rights.

The Class D and Class E Performance Rights have a total value of \$188,735 and \$251,575 respectively of which \$11,478 was recognised in the half year ended 31 December 2023.

The Company amortised the existing 5,000,000 Class C performance rights issued to Directors of \$15,358 over the vesting period. The original terms of the performance rights are disclosed in the Company's 2023 Annual Report.

- (ii) On 27 July 2023, the Company issued 25,000,000 unlisted options to Inyati and CPS Capital as part of consideration for assisting with the Placement completed on the same date. The options are exercisable at \$0.018 on or before 27 July 2026, vested immediately on grant date and were valued at \$167,122 (refer below) as the value of services rendered was unable to be reliably determined.

Valuation inputs of performance rights issued in the half-year ended 31 December 2023 contributing to share-based payments during the period are noted below:

|   | D Class Performance Rights |              |            | E Class Performance Rights |              |            | Options           |
|---|----------------------------|--------------|------------|----------------------------|--------------|------------|-------------------|
| Methodology                                   | Monte Carlo                |              |            | Monte Carlo                |              |            | Black-Scholes     |
| Iterations                                    | 100,000                    |              |            | 100,000                    |              |            | -                 |
| Grant Date                                    | 28 November 2023           |              |            | 28 November 2023           |              |            | 27 July 2023      |
| Expiry Date                                   | 11 June 2025               |              |            | 11 December 2026           |              |            | 27 July 2026      |
| Share Price at Grant Date (\$)                | 0.0090                     |              |            | 0.0090                     |              |            | 0.0140            |
| Exercise Price (\$)                           | Nil                        |              |            | nil                        |              |            | \$0.018           |
| VWAP Hurdle                                   | \$0.025                    |              |            | \$0.035                    |              |            | -                 |
| Risk-free rate (%)                            | 4.074%                     |              |            | 4.074%                     |              |            | 3.813%            |
| Volatility (%)                                | 80%                        |              |            | 80%                        |              |            | 80%               |
| Fair value per Performance Right/ Option (\$) | 0.0038                     |              |            | 0.0050                     |              |            | 0.0067            |
| Recipients                                    | Aaron Revelle              | Thomas Eadie | Peter Wall | Aaron Revelle              | Thomas Eadie | Peter Wall | Issued to Brokers |
| Number  | 25,000,000                 | 12,500,000   | 12,500,000 | 25,000,000                 | 12,500,000   | 12,500,000 | 25,000,000        |
| Total fair value (\$)                         | 94,368                     | 47,184       | 47,184     | 125,757                    | 62,879       | 62,879     | 167,122           |

## 10. Fair value hierarchy

The carrying values of financial assets and liabilities of the Consolidated Entity approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and / or disclosure purposes.

The Consolidated Entity classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The table following analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| Recurring fair value measurements                     | Level 1<br>\$  | Level 2<br>\$ | Level 3<br>\$ | Total<br>\$    |
|---|----------------|---------------|---------------|----------------|
| <b>31 December 2023</b>                               |                |               |               |                |
| Financial assets at fair value through profit or loss | 339,279        | -             | -             | 339,279        |
| <b>Total as at 31 December 2023</b>                   | <b>339,279</b> | <b>-</b>      | <b>-</b>      | <b>339,279</b> |
| <b>30 June 2023</b>                                   |                |               |               |                |
| Financial assets at fair value through profit or loss | 648,579        | -             | -             | 648,579        |
| <b>Total as at 30 June 2023</b>                       | <b>648,579</b> | <b>-</b>      | <b>-</b>      | <b>648,579</b> |

Due to their short-term nature, the carrying amount of the current receivables and current payables is assumed to approximate their fair value.

## 11. Operating segments

Operating segments are identified based on the internal reports that are regularly reviewed by the Board of Director's, for the purpose of allocating resources and assessing performance. The adoption of this "management approach" has resulted in the identification of reportable segments. Financial information presented to the Board of Directors is reported by these jurisdictional locations. Items of income and expenditure and assets and liabilities that are not allocated to the exploration projects are allocated to the Corporate segment.

### (i) Segment Performance

| <b>31 December 2023</b>    | <b>Argentinian<br/>Projects</b> | <b>Australian<br/>Projects</b> | <b>Corporate</b> | <b>Total</b>       |
|----------------------------|---------------------------------|--------------------------------|------------------|--------------------|
| Total segment revenue      | -                               | 17,191                         | 351              | 17,542             |
| Segment expenditure        | (251,925)                       | (97,522)                       | (1,248,209)      | (1,597,656)        |
| Segment result             | (251,925)                       | (80,331)                       | (1,247,858)      | (1,580,114)        |
| <b>Net loss before tax</b> |                                 |                                |                  | <b>(1,580,114)</b> |
| <b>30 June 2023</b>        |                                 |                                |                  |                    |
| Total segment revenue      | -                               | 74,627                         | 57,285           | 131,912            |
| Segment expenditure        | (919)                           | (43,609)                       | (4,483,084)      | (4,527,612)        |
| Segment result             | (919)                           | 31,018                         | (4,425,799)      | (4,395,700)        |
| <b>Net loss before tax</b> |                                 |                                |                  | <b>(4,395,700)</b> |

**(ii) Segment Assets**

| <b>31 December 2023</b> | <b>Argentina</b> | <b>Australia</b> | <b>Total</b> |
|-------------------------|------------------|------------------|--------------|
| Segment Assets          | 37,888,480       | 10,359,713       | 48,248,193   |

**30 June 2023**

|                |            |            |            |
|----------------|------------|------------|------------|
| Segment Assets | 37,028,506 | 10,327,325 | 47,355,831 |
|----------------|------------|------------|------------|

**(iii) Segment Liabilities**

| <b>31 December 2023</b> | <b>Argentina</b> | <b>Australia</b> | <b>Total</b> |
|-------------------------|------------------|------------------|--------------|
| Segment Liabilities     | (15,762)         | (164,345)        | (180,107)    |

**30 June 2023**

|                     |          |           |           |
|---------------------|----------|-----------|-----------|
| Segment Liabilities | (88,635) | (857,468) | (946,103) |
|---------------------|----------|-----------|-----------|

**12. Commitments and contingencies**

**Warrior Project- Contingency**

On 2 December 2020, the Consolidated Entity announced the acquisition of the Warrior Project. As part of the terms, the Consolidated Entity granted the vendor a 1% net smelter royalty ("NSR") on all minerals produced from the tenements and a milestone payment of \$200,000 in cash ("Milestone Payment") on achieving a mineralised drill intersection on one tenement of at least 10 metres of 2% nickel equivalent or better.

**Exploration expenditure commitments**

Commitments for minimum exploration expenditure required to retain tenure on the Group's exploration tenements are:

|   | <b>31 December<br/>2023</b> | <b>30 June<br/>2023</b> |
|---|-----------------------------|-------------------------|
|   | <b>\$</b>                   | <b>\$</b>               |
| Later than one year but not later than five years | <b>384,000</b>              | 384,000                 |



**13. Related party transactions**

| Subsidiary                    | Country of Incorporation | % of Equity Interest |                  |
|-------------------------------|--------------------------|----------------------|------------------|
|                               |                          | 31 December 2023     | 31 December 2022 |
| NorthernX Pty Ltd             | Australia                | 100%                 | 100%             |
| Pursuit Exploration Pty Ltd   | Australia                | 100%                 | 100%             |
| Trilogy Minerals Pty Ltd      | Australia                | 100%                 | -                |
| Flametree Prospecting Pty Ltd | Australia                | 100%                 | -                |
| Wombat S.A.                   | Argentina                | 100%                 | -                |

During the period the Group had the following dealings with related parties<sup>iii</sup>:

**(a) Mr Peter Wall**

Mr Wall is a Non-Executive Director of the Company. He is also a partner at Steinepreis Paganin, a Perth based corporate law firm that provides legal services to the Company on commercial terms.

The following payments / transactions occurred during the half-year:

|                              |  |
|------------------------------|--|
| Director fees                | \$30,000 for services provided in the half-year ended 31 December 2023 (31 Dec 2022: \$33,300).  |
| Other                        | Steinepreis Paganin was paid or due to be paid an aggregate amount of \$56,050 for legal services and travel disbursements rendered during the period (31 Dec 2022: \$22,963). \$13,973 was payable at 31 December 2023 (31 Dec 2022: nil).                                      |
| Options & Performance Rights | 5,000,000 C Class Performance Rights of which \$15,358 was expensed in the current year.<br>12,500,000 D Class Performance Rights of which \$1,722 was expensed in the current year.<br>12,500,000 E Class Performance Rights of which \$1,147 was expensed in the current year. |

**(b) Mr Robert Affleck (resigned 3 July 2023)**

Robert Affleck was Managing Director of the Company until 3 July 2023, and also provides resource development consulting services to the Company on commercial terms.

The following payments / transactions occurred during the half-year:

|                              |   |
|------------------------------|---|
| Director fees                | No Director fees for services provided in the half-year ended 31 December 2023 (31 Dec 2022: \$122,000).        |
| Other                        | \$60,050 were paid for consulting services provided in the half-year ended 31 December 2023 (31 Dec 2022: nil). |
| Options & Performance Rights | 6,666,666 performance rights held by Mr Affleck were cancelled in the period.                                   |

<sup>iii</sup> Amounts are GST exclusive unless otherwise noted.

**(c) Mr Mark Freeman (resigned 31 August 2023)**

Mr Freeman was the Finance Director and Company Secretary of the Company until 31 August 2023. He is also owner of Meccano Consulting Pty Ltd that previously provided office space, bookkeeping and accounting services to the Company on commercial terms.

The following payments/transactions occurred during the half-year:

|                              |   |
|------------------------------|---|
| Director fees                | \$45,000 for services provided in the half-year ended 31 December 2023 (31 Dec 2022: \$66,600).   |
| Other                        | Meccano Consulting Pty Ltd (an entity related to Mr Freeman) was paid or due to be paid an aggregate amount of \$12,000 for accounting, bookkeeping and registered office services rendered during the period (31 Dec 2022: \$18,000). A life insurance premium of \$7,000 relating to Mr Freeman was paid in the period. |
| Options & Performance Rights | 5,000,000 performance rights held by Mr Freeman were cancelled in the period.   |

**(d) Mr Aaron Revelle**

Mr Revelle is the current Managing Director & CEO of the Company (appointed 3 July 2023) and was previously the Company Chief Operating Officer.

The following payments / transactions occurred during the half-year:

|                              |  |
|------------------------------|--|
| Director fees                | \$155,400 for services provided in the half-year ended 31 December 2023.   |
| Other                        | N/A  |
| Options & Performance Rights | 25,000,000 D Class Performance Rights of which \$3,444 was expensed in the current year.<br>25,000,000 E Class Performance Rights of which \$2,295 was expensed in the current year. |

**(e) Mr Ernest Thomas Eadie**

Mr Eadie is a Non-Executive Director of the Company. Mr Eadie was appointed on the 29 March 2023.

The following payments / transactions occurred during the half-year:

|                              |  |
|------------------------------|--|
| Director fees                | \$18,000 for services provided in the half-year ended 31 December 2023 (31 Dec 2022: nil).   |
| Other                        | N/A  |
| Options & Performance Rights | 12,500,000 D Class Performance Rights of which \$1,722 was expensed in the current year.<br>12,500,000 E Class Performance Rights of which \$1,147 was expensed in the current year. |

**14. Events after the end of the reporting period**

On the 8 January 2024 the company announced it has commenced its maiden drilling campaign following the receipt of advanced exploration environmental permits from the Salta Mining Secretary. These permits were awarded following the completion of various submissions to judiciary authorities which were approved on 29 December 2023 resulting in the drilling permits approval on 4 January 2024.

The maiden drilling program will comprise an initial 4 diamond drill holes on the southern tenements as shown on the map at Figure 1, with a pumping well to also be drilled with its location to be determined following initial results from the first 2 holes to be drilled at the Maria Magdalena and Sal Rio II tenements.

The drilling is anticipated to reach depths of 500-600m below surface, significantly deeper than the existing defined JORC mineral resource depth. The drilling contractor, drilling rigs and geological team will begin mobilising over the next week with drilling operations expected to commence towards the end of January / start of February 2024. Each hole is anticipated to take approximately 1 month to complete with the program length dependant on number of rigs operating simultaneously. Pursuit is targeting a material resource upgrade in the 2nd quarter of 2024 which will build on the recent maiden resource defined at the Rio Grande Sur Project.

The anticipated increase to Rio Grande Sur mineral resource will allow for the support of a larger commercial operation to be anticipated in the project feasibility study which is scheduled for delivery in Q4, 2024.

On the 6 February 2024, 15,000,000 unvested C Class Performance Rights were cancelled as they had been forfeited by former key employees of the Company under the Pursuit Performance Rights and Option Plan. The Performance Rights Plan was approved by Shareholders at the Company's Annual General Meeting (AGM) on 31 January 2022, with the vesting conditions varied at the AGM held on 25 November 2022.

No other matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
  - a) Comply with Accounting Standards AASB 134: *Interim Financial Reporting*, and *Corporations Regulations 2001*; and
  - b) Give a true and fair view of the financial position as at 31 December 2023 and of the performance for the half year ended on that date of the Company and the Group.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



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Aaron Revelle  
CEO & Managing Director

14 March 2024