

PURSUIT SECURES FUNDING FOR \$1 MILLION OF CONVERTIBLE LOAN NOTES

HIGHLIGHTS

- Pursuit has mandated Alpine Capital Pty Ltd (Alpine) to act as Lead Manager in placing \$1 million of Convertible Loan Notes.
- Commitment letters for \$1 million of loan notes have been received with strong support from existing shareholders and new investors.
- Pursuit has recently completed two diamond drillholes from the Stage 1 Drill Program and is currently targeting resource growth to the existing inferred JORC resource of 251.3kt LCE @ 351mg/Li¹ with results expected over the coming weeks.
- 250tpa Pilot Plant works continue to progress toward first production of Lithium Carbonate products. Product samples to be sent to prospective off-take partners.
- Following Rio Tinto and BHP spending >\$13.2 billion on Lithium and Copper projects in Argentina throughout 2024, Pursuit continues to review potential value creating acquisitions complementary to the Rio Grande Sur Project.

Pursuit Minerals Ltd (ASX: **PUR**) ("**PUR**", "**Pursuit**" or the "**Company**") is pleased to announce that it has entered into commitment letters that will secure \$1 million in immediate funding for Pursuit through the issue of Loan Notes totalling ("Loan Notes") to Pursuit. The Loan Notes will automatically convert into shares and options, subject to shareholder approval to be sought at the Company's annual general meeting on 28 November 2024 ("**AGM**").

The principal terms of the Loan Notes are set out below.

Proceeds from the Loan Notes will be principally used by the Company to fund the ongoing works at the Rio Grande Sur Project. In particular, the Company intends to apply the funds to progressing towards first production of Lithium Carbonate from its 250tpa plant in Salta, feasibility studies for the larger commercial operation and assessment of complementary acquisitions opportunities in the critical metals' asset classes of Lithium and Copper.

Pursuit has proceeded with this relatively small raising with a view to securing sufficient funding to enable the Company to finalise significant value creating events over the coming months, including final assay results from the DDH-2 drill hole and an expected material resource upgrade at the Rio Grande Sur Lithium Project.

Importantly, the Company's cash burn over the next 6 to 9 months is anticipated to be significantly lower than the last 6 to 9 months following drilling activities having ceased and crews demobilised from the Rio Grande Sur Project.

In a show of support for the Company, Pursuit Chairman, Mr Peter Wall, has agreed to subscribe for Loan Notes with an aggregate face value of \$30,000 (subject to shareholder approval at the AGM).

Managing Director & CEO Aaron Revelle commented, *"The past months have been a transformational period for the Company as we have completed the first two diamond drill holes at the Rio Grande Sur Project. With lithium intercepts at grades above 600mg/L at DDH-1 and 500mg/L at DDH-2, the project continues to exceed expectations with potential scale."*

Following on from this success, we continue to advance our 250tpa Lithium Carbonate plant towards first production with a now significantly reduced cash burn and capital commitments lower than previous quarters. Achieving this milestone places Pursuit well in its ability to move toward a small-scale continuous operation at Rio Grande, which we believe will be viewed favourably in the heightened M&A climate in the Lithium sector."

As the global search for new copper and critical metals discoveries intensifies, we continue to evaluate potential acquisition opportunities in both Lithium and Copper following Argentina being further validated by major miners BHP and Rio Tinto with BHP's USD \$2.1 billion acquisition of Copper assets and Rio Tinto's USD \$6.7 billion acquisition of Arcadium Lithium. Both companies are continuing to develop these projects, highlighting the potential for world-class discoveries and mines in Argentina only further complemented by the RIGI legislation implemented by the Milei Government."

We would like to thank our existing shareholders and appreciate the support of the new Loan Note holders."

In addition, pursuant to section 254H of the Corporations Act, the Company intends to undertake a consolidation of capital of the company at a ratio of 50:1 ("**Consolidation**"), subject to receipt of shareholder approval at the AGM to be held at the updated time of 10am on Thursday, 28th November 2024. The consolidation will apply to all Shares, Options, Performance Rights and Performance Shares issued by the Company. Where this Consolidation results in a fraction of a Security being held, the Company will be authorised to round that fraction up to the nearest whole number.

The Consolidation is proposed by the Company to reduce its total issued capital to a more appropriate and effective capital structure and a resultant share price that is more appealing to a wider range of investors.

In accordance with Listing Rule 7.21 and 7.22 all Convertible Notes, Performance Rights and Options currently on issue by the Company be consolidated in the same ratio as Shares. The exercise price of the Convertible Notes, Performance Rights and Options will be amended in accordance with the ASX Listing Rules.

An anticipated timetable for the Consolidation is set out at the end of this announcement. Further details on the Consolidation, including the information required to be provided to shareholders of the Company under the Corporations Act 2001 (Cth) and the ASX Listing Rules will be set out in the notice of meeting.

LOAN NOTES SUMMARY

The key commercial terms of the Loan Notes are set out as follows;

1. **Security Description:** Unsecured Loan Note.
2. **Amount:** \$1,000,000.
3. **Offer Type:** Each Loan Note will convert into new fully paid ordinary shares (New Shares) following shareholder approval at the AGM. Each participant will receive an attaching option (Options) with a strike price of \$0.007 (pre-consolidation), 3-year term, on a 1-for-1 basis (\$0.35 strike price post-consolidation).
4. **Interest Rate:** If Loan Notes are converted into Shares and Options, the interest rate shall be zero; or If the Loan Notes are not converted into Shares and Options because shareholder approval is not obtained, interest will accrue at a rate of 12% p.a. from the Issue Date until the Repayment Date (4 months post the AGM).

5. **Conversion:** Convertible Loan Notes will convert into New Shares and Options, subject to shareholder approval at the AGM. Mandatory conversion is at a discount to the post-consolidation 10 trading day VWAP after the 50:1 consolidation to also be approved at the AGM (significantly cleaning up and simplifying Pursuit's capital structure).
6. **Conversion Price:** Loan Notes will convert at the lesser of:
 \$0.15 (on a post-consolidation basis); and
 80% of the 10-day trading VWAP, per share, provided that, if 80% of the 10-day VWAP is less than \$0.05 (on a post-consolidation basis), it will be taken to equal \$0.05. This equates to a collar and a cap of \$0.001 and \$0.003 on a pre-consolidation basis.
7. **Fees:** The Company engaged Alpine Capital Pty Limited (AFSL 422 477) (Alpine Capital) to act as lead manager to the Capital Raising. The Company has agreed to pay Alpine Capital the following fees:
 - a. a fee of 2% (plus GST, if applicable); and
 - b. a selling fee of 4% (plus GST, if applicable),

on the gross proceeds of the Capital Raising.

In addition to the Fees, the Company has agreed, subject to Shareholder approval, to issue Alpine Capital one (1) Option for every five (5) New Shares issued by the Company (on a post-Consolidation basis) (Lead Manager Options). In the event that Shareholder approval is not obtained for the issue of the Lead Manager Options within eight (8) weeks of the completion of the Capital Raising, Alpine Capital will be compensated within seven (7) days with the monetary equivalent of the Lead Manager Options based on the output of a Black Scholes Model, with input assumptions equivalent to the agreed terms of the Lead Manager Options, based on the date of settlement of the Capital Raising.

INDICATIVE TIMETABLE

| ACTION | DATE |
|---|------------------|
| Company announces Consolidation | 24 October 2024 |
| Company sends out the Notice of Meeting | 25 October 2024 |
| Shareholders pass Resolution to approve the Consolidation | 28 November 2024 |
| Company announces Effective Date of Consolidation | 28 November 2024 |
| Effective Date of Consolidation | 28 November 2024 |
| Last day for pre-Consolidation trading | 29 November 2024 |
| Post-Consolidation trading commences on a deferred settlement basis | 2 December 2024 |
| Record Date | 3 December 2024 |
| Last day for the Company to register transfers on a pre-Consolidation basis | 3 December 2024 |
| First day for the Company to update its register and send holding statements to security holders reflecting the change in the number of Securities they hold | 4 December 2024 |
| Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of Securities they hold and to notify ASX that this has occurred | 10 December 2024 |

The above timetable is indicative only and all dates are subject to change.

This release was approved by the Board.

- ENDS -

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

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Competent Person's Statement

Statements contained in this announcement relating to exploration results, are based on, and fairly represents, information and supporting documentation prepared by Dr. 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. Dr. 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. Mr Luinstra confirms that the information in this announcement provided under listing rules 5.12.2 to 5.12.7 is an accurate presentation of the available data and studies for the material mining project.

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 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 realise 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.