

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2022

HIGHLIGHTS

- Pure secured a total of 261 km² of claims situated 65 km northeast of Patriot Battery Metals Inc.'s (ASX: PMT, CVE: PMET) Corvette discovery in the Superior Province, Quebec, Canada, amassing a Belt-scale area.
 - Pure Resources appointed Canadian based North American Lithium Specialist Mr Victor Cantore to advise on the Company's battery metals strategy and assist in identifying and introducing new Lithium opportunities to the Company.
 - Peak shallow auger drill results up to 1.38% nickel returned with multiple other drill holes returned greater than 1% nickel. A significant 1.8 km geochemical anomaly identified to be targeted with follow-up drill testing.
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Pure Resources Limited ("Pure" or "Company") is pleased to provide the following report on its activities during the quarter ending 31 December 2022. The Company's primary activities during the reporting period were the generation of the Company's LaForge Lithium Project (**LaForge**), Quebec, Canada, auger drill program on Yundamindra Project (**Yundamindra**), electromagnetic survey of the Kilarney project (**Kilarney**), and concurrent drill programs on the Mount Monger Project (**Mt Monger**) and Yandal Project (**Yandal**).

The Company announced the appointment of Canadian based North American Lithium Specialist Mr Victor Cantore to advise on the Company's battery metals strategy and assist in identifying and introducing new Lithium opportunities to the Company.

Pure's Executive Chairman, Mr Patric Glovac, commented:

"With a quarter filled with exciting advancements and strategic acquisition, we were thrilled to announce the acquisition of mining claims in Quebec, Canada, that cover an area of over 260 km², positioning us in close proximity to Patriot Battery Metals Inc.'s Corvette discovery. Our mapping and sampling program has yielded promising results, with 240 outcropping rock samples collected and submitted for analysis. We are confident in the prospectivity of this Project and look forward to continuing our exploration efforts."

"Additionally, we are thrilled to welcome Canadian-based lithium specialist Mr. Victor Cantore to our team, who brings a wealth of experience and knowledge in sourcing and identifying new project opportunities, with a focus on North America. We are excited for the future and look forward to sharing more updates with our shareholders."

"Along with the acquisition of the LaForge claims in Quebec, Canada, Pure continues to advance exploration programs on Yundamindra, Kilarney, Yandal, and Mt Monger. We are excited to see the results from these programs and look forward to continuing to explore and develop these opportunities."

LaForge Lithium Project

During the quarter ending 31 December 2022, the Company acquired mining claims in Quebec, Canada, that cover an area of more than 260 km², which are 65 km northeast of Patriot Battery Metals Inc. (PMT) Corvette discovery (Figure 1). LaForge is situated 35 km from the La Grande-4 (LG-4) hydroelectric generating station that is part of Hydro-Québec's James Bay Project and are accessible by a network of roads that service the hydroelectric project.

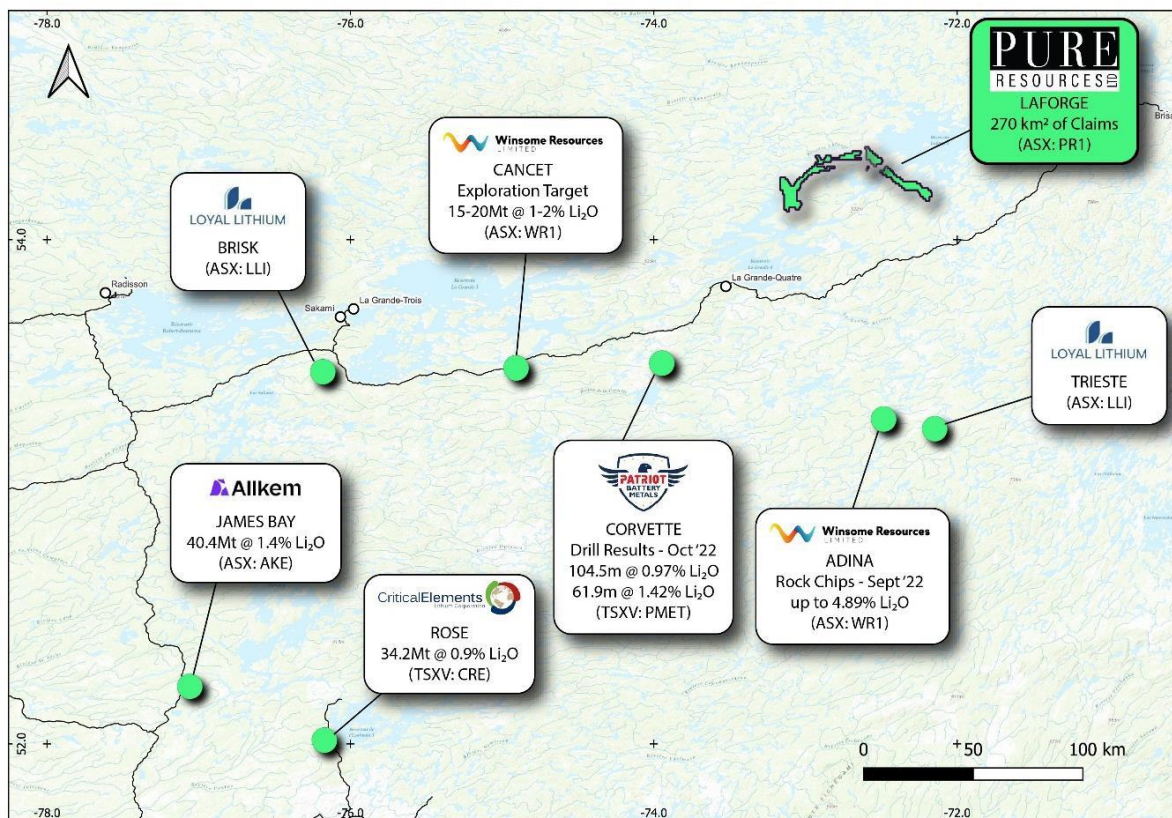


Figure 1: Lithium companies in the James Bay region, Quebec, Canada

Pure engaged Apex Geoscience Ltd to complete a 2-week helicopter assisted mapping and sampling program to further investigate the potential of the LaForge claims with the aim to identify outcropping pegmatites which will be targeted in follow-up exploration programs. The mapping and sampling program was performed December 2022.

240 outcropping rock samples (Figure 2) were collected and submitted to ALS laboratories in Val d'Or, Quebec, for preparation and ME-MS61 multi-element analysis with results expected to be returned to the Company in six weeks. Given this is the maiden exploration program over this greenfield area, further investigation is required to fully evaluate the mineralogy of the samples including the extent and tenor of possible lithium mineralisation.

The Company believes the prospectivity of the Project has been significantly enhanced through this reconnaissance field program and plans to complete further, extensive field programs as soon as practicably possible.

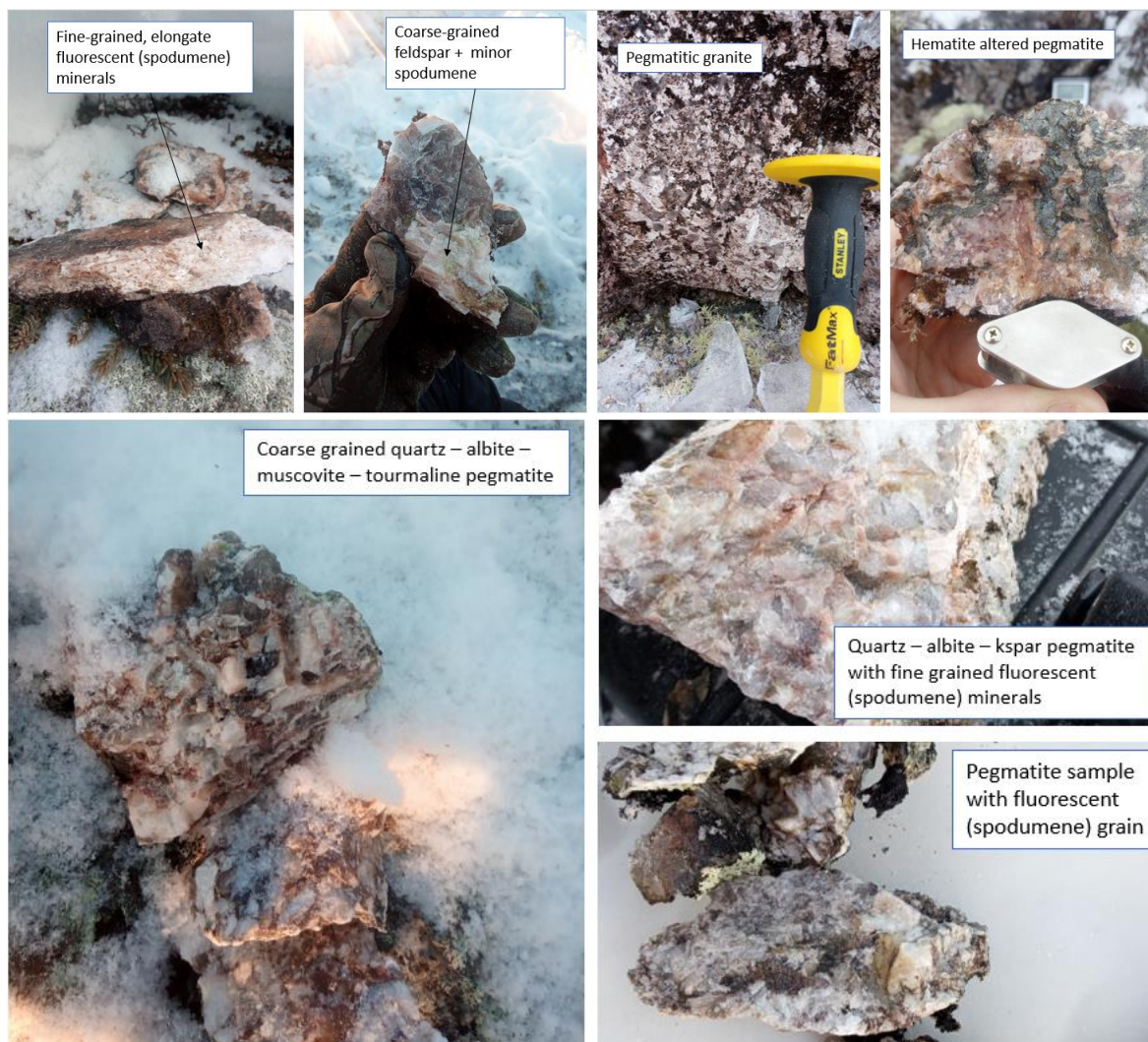


Figure 2: Various rock chip photos of pegmatite or pegmatitic samples taken during the field work program.

Yundamindra Project

Yundamindra consists of two tenements (E39/2251 & E39/2254) prospective for Kambalda Style nickel, and orogenic gold mineralisation. E39/2251 shares the same rock types and sits directly south, along strike, from the Eucalyptus Bore Ni-Co Project which has an Ore Reserve of 32.2 Mt @ 0.91% Ni & 0.06% Co. concerning the gold potential, numerous prospects and historical workings occur both within greenstone and granite lithologies. Gold mineralisation is shear related and hosted by relatively high-grade auriferous quartz veins.

Pure completed the Company's maiden auger drill program in September, which consisted of 1,171 auger drill holes. The Company announced in October multiple assays >1% Ni (Table 1) with a peak assay of 1.38% Ni. The results from the auger campaign have highlighted a contiguous geochemical anomaly (>2,650ppm Ni, 90th percentile) that extends north-south over 1.8 km (Figure 3). Additionally, the auger drilling has identified multiple, discrete nickel anomalies or 'hot spots' within broader geochemical haloes.

The auger results validate that there exists the potential for near-surface nickel mineralisation and the Company will now test the potential for lateritic and sulphide-

hosted nickel-cobalt mineralisation. The Company is planning follow-up, reverse-circulation drilling at the Yundamindra Project in the March quarter.

Table 2: Auger Sample Results (>8,000ppm Ni)

Sample ID	Sample Type	Sample Depth	East	North	Ni_ppm	Co_ppm	Cr_ppm	Cu_ppm	S_pct	Au_ppb
003314	AUGER	1.5	422856	6761801	10100	259	3890	39	0.188	2.9
003351	AUGER	1	423552	6761703	8540	176	1700	30.4	0.233	33.3
003478	AUGER	2	423405	6761501	8290	396	1520	31.8	0.331	4.1
003562	AUGER	2	423447	6761412	9050	494	1580	58.7	0.19	5.4
003997	AUGER	1.5	423355	6760705	9800	352	2320	33.4	0.165	9.5
003998	AUGER	2	423407	6760702	11800	378	1610	41.4	0.252	9.9
004083	AUGER	1.5	423401	6760601	13300	234	2440	34.4	0.257	6.7
004128	AUGER	1.25	423395	6760498	8310	201	1680	37.8	0.369	32.5
004129	AUGER	1.25	423452	6760498	13800	243	2350	36.6	0.427	14
004148	AUGER	1.25	423451	6760406	8690	348	1150	13.4	0.354	10.6

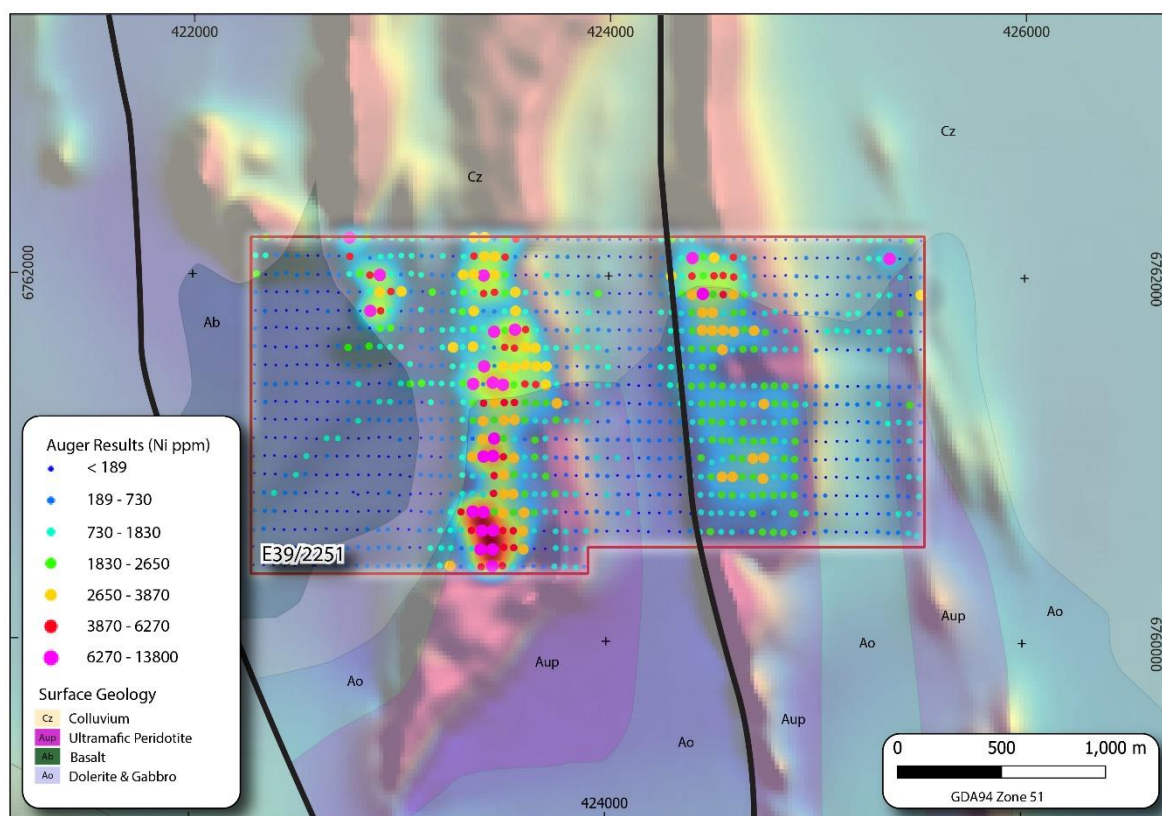


Figure 3: Auger Results with geology over magnetics.

Killarney Project

The Killarney Project comprises one tenement, E80/5153, located approx. 150 km southwest of Kununurra and 140 km north-east of the town of Halls Creek. Access is via the Great Northern Highway and then east along the Texas Downs Road for 8 km to the project site.

During the month of November 2022, The Company completed an electromagnetic survey (**EM Survey**) on its wholly own Killarney Project. The data from the EM Survey is

currently being processed and the results will be released to the ASX once they are available.

In addition, recent flooding events in the Kimberley region will likely delay near-term exploration programs. The Company will monitor the situation and update the market in the coming weeks and months.

Yandal Project

Yandal consists of granted exploration license E53/2023 that covers an area of approximately 43 km² and is situated in the Archean aged Yandal Greenstone belt in the Eastern Goldfields region of Western Australia. Access from Wiluna is east via the Wongawol Road for 50 km and then south on the Barwidgee-Yandal Road for 20 km and thereafter local station tracks.

The Company completed a drill program of 3,000m of reverse-circulation (**RC**) drilling in December 2022. The results will be released to the ASX once they are available.

Mount Monger Project

Mt Monger is situated within the Mount Monger mining district 55 km southeast of Kalgoorlie and is accessed via the Mount Monger Rd. The Mount Monger Project consists of exploration license E26/227 which covers an area of approximately 12 km² and is situated in the Bulong Domain in the southwestern corner of the Kurnalpi Terrane of the Eastern Goldfields Region. The Mount Monger Project is prospective for gold mineralisation.

The Company completed a drill program up to 2,800m of air-core (**AC**) drilling in December 2022. The results will be released to the ASX once they are available.

Corporate Activity

During the quarter, the Company appointed Canadian based North American Lithium Specialist Mr Victor Cantore to advise on the Company's battery metals strategy and assist in identifying and introducing new Lithium opportunities to the Company.

Mr. Cantore is heavily involved in the North American lithium sector and was the property vendor of the Whabouchi Lithium property in Québec.

The Whabouchi Lithium property was sold to Nemaska Lithium who now retains a 50% ownership along with by Livent Corporation (NYSE:LTHM) which is one of the largest high-purity lithium deposits in North America and Europe with a reserve of 36.7Mt @ 1.3% Li₂O.

Mr Cantore will be incentivised to assist in sourcing and analysing new project opportunities for Pure Resources Limited with a focus on North America

Cash

The Company's consolidated cash at hand was \$3,143,556 as of 31 December 2022 with no debt. The majority of the expenditure was on Exploration and Evaluation (\$600,172), generation of LaForge (\$123,055), staff costs (\$36,356) and Admin and Corporate costs (\$117,016). This information is presented in the Quarterly Cashflow Report ("**Appendix 5B**").

December Quarter ASX Releases

During the quarter, the following project related announcements were made:

- 5/12/2022 Belt Scale Quebec Lithium Exploration Area now totals 270km²
- 30/11/2022 Amendment - Pure Secures 160km² Lithium Exploration Area
- 30/11/2022 Pure Secures 160km² Lithium Exploration Area - Quebec, Canada
- 24/11/2022 Exploration Update - Killarney, Mt Monger & Yandal Projects
- 20/10/2022 1.38% Ni DRILL HIT & 1.8KM GEOCHEMICAL ANOMOLY IDENTIFIED
- 17/10/2022 WIDESPREAD OUTCROPPING SURFACE NICKEL - YUNDAMINDRA PROJECT

Key Activities Planned for the March 2023 Quarter

During the March 2023 quarter, the Company plans to:

- Receive outstanding assay results from the Yandal and Mt Monger and plan further exploration based on results.
- Complete RC drilling at the Yundamindra to follow-up auger geochemistry results.
- Engage Native Title parties to complete on-ground exploration at the Killarney Project.
- Engage Apex Geoscience to complete further field work at the LaForge.

ASX Additional Information

1. **ASX Listing Rule 5.3.1** – Mining exploration activities and investment activity expenditure during the quarter was \$600,172. Full details of the activity during the quarter are set out in this report.
2. **ASX Listing Rule 5.3.2** – Mining production and development activity expenditure for the quarter was nil and there were no substantive mining exploration activities for the quarter.
3. **ASX Listing Rule 5.3.3** – Tenement Schedule – Refer to Appendix 1 for details of the Company's tenements as of 31 December 2022.
4. **ASX Listing Rule 5.3.4** – The Company provides the proposed vs actual Use of Funds as outlined in Section 3.7 of the Prospectus dated 24 January 2022.

Proposed Use of Funds	Proposed \$	Actual \$	Variance
Exploration of Company Projects	2,550,000	747,849	Timing
New Project Evaluation	400,000	123,055	Timing
Cash reimbursement to Project Vendors	55,471	55,471	-
Expense of the offer	503,500	545,670	Higher Legal Fees
Administration costs	425,000	169,138	Timing
Working Capital	1,009,880	344,739	Timing
Total	4,943,851	1,985,922	

5. **ASX Listing Rule 5.3.5** – Payments to related parties of the Company during the quarter and outlined in Appendix 5B include \$62,552 for director fees and rental fees paid to Directors and related parties.

- END -

This announcement is approved for release by the Board of Pure Resources Limited.

Mr Patric Glovac

Executive Chairman

Pure Resources Limited

APPENDIX 1: Tenement Schedule (as of 31 December 2022)

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

2689650	Quebec, Canada	Granted	LaForge Lithium Project	0.5036	PR1 (Canada) Ltd	100%
2689651	Quebec, Canada	Granted	LaForge Lithium Project	0.5036	PR1 (Canada) Ltd	100%
2689652	Quebec, Canada	Granted	LaForge Lithium Project	0.5036	PR1 (Canada) Ltd	100%
2689653	Quebec, Canada	Granted	LaForge Lithium Project	0.5036	PR1 (Canada) Ltd	100%
2689654	Quebec, Canada	Granted	LaForge Lithium Project	0.5036	PR1 (Canada) Ltd	100%
2689655	Quebec, Canada	Granted	LaForge Lithium Project	0.5036	PR1 (Canada) Ltd	100%
2689656	Quebec, Canada	Granted	LaForge Lithium Project	0.5035	PR1 (Canada) Ltd	100%
2689657	Quebec, Canada	Granted	LaForge Lithium Project	0.5035	PR1 (Canada) Ltd	100%
2689658	Quebec, Canada	Granted	LaForge Lithium Project	0.5035	PR1 (Canada) Ltd	100%
2689659	Quebec, Canada	Granted	LaForge Lithium Project	0.5035	PR1 (Canada) Ltd	100%
2689660	Quebec, Canada	Granted	LaForge Lithium Project	0.5034	PR1 (Canada) Ltd	100%

Appendix 5B

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

Name of entity
Pure Resources Limited
ABN
19 653 330 413
Quarter ended ("current quarter")
31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(600)	(721)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(36)	(67)
	(e) administration and corporate costs	(117)	(166)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	12
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(745)	(942)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(124)	(124)
	(c) property, plant and equipment	(14)	(14)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(138)	(138)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	10
3.10	Net cash from / (used in) financing activities	-	10

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,027	4,214
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(745)	(942)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(138)	(138)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	10

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,144	3,144

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,144	4,027
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,144	4,027

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(63)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(745)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(745)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,144
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,144
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.22
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31/01/2023.....

Authorised by: The Board of Directors, Pure Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

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

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.