



# PATAGONIA LITHIUM

25 October 2024

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## QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 30 SEPTEMBER 2024

Patagonia Lithium Limited (**Patagonia** or **Company**) (**ASX:PL3**) presents its Quarterly Report for the three months ended 30 September 2024.

**ASX:PL3**  
**Options:PL3O**

### Issued capital

Shares

59,729,802

Options

14,641,250 (\$0.30)

6,500,000 (\$0.27)

582,404 (\$0.15)

Convertible Notes

333,940

### Directors

Phillip Thomas

Rick Anthon

Sam Qi

### Company Secretary

Jarek Kopias

### Projects

Formentera/Cilon

Tomas III

### Next Milestones

Formentera/Cilon

Paso salar

- BMR Survey

- Formentera MRE estimate

### Office

Level 6, 505 Little Collins Street, Melbourne 3000

### Highlights Argentina

- The Company received outstanding lithium values from well Two (JAM 24-02) and well Three (JAM24-03). Packer tests in well well Two assayed 582ppm Li (A28) with 27-47% porosity and an aquifer zone from 170-370m.

Alex Stewart Assay - Zone	Sample No	from	to	Interval	SG	Lithium	Magnesium	Mg:Li ratio	Boron	Potassium	Conductivity	pH	Packer Flow rate
		M	M	M	g/ML	ppm	ppm		ppm	ppm	uS/cm		L/Min
upper aquifer	1	75.79	80.5	4.71	1.002	1	9	9.00	11	32	1.95	7.1	9.52
	2	102.79	107.5	4.71	1.001	<1	11	0.00	4	29	1.71	7.4	12.50
sands	3	141.79	145.1	3.31	1.055	132	739	5.60	276	1522	92.21	7.1	8.33
	4	157.29	161.5	4.21	1.05	121	653	5.40	260	1463	84.47	6.9	11.11
	5	177.29	182	4.71	1.096	254	897	3.53	342	2478	150.29	6.9	10.53
	6	222.79	227.5	4.71	1.096	256	902	3.52	345	2486	151.48	7	2.08
	7	239.5	245.5	6	1.113	327	991	3.03	354	2811	166.59	6.9	8.33
lower aquifer gravels, sands	8	260.5	269.5	9	1.161	474	979	2.07	447	3761	205.69	6.8	7.14
	9	281.5	296.5	15	1.174	506	969	1.92	471	3980	210.33	6.8	6.90
	10	302.5	314.5	12	1.182	510	1012	1.98	503	4250	214.01	6.7	8.00
	11	302.5	335.5	33	1.189	580	937	1.62	501	4008	217.89	6.7	8.00
		EOH	347.00										

Figure 1. Packer assays from Well JAM 24-02

- Well 3 (JAM24-03) assayed 470ppm Li (37A-279m-284m) in an aquifer zone confirming continued high lithium in the brines.

SGS Assay - Zone	Sample No	from	to	Interval	SG	Lithium	Magnesium	Mg:Li ratio	Boron	Potassium	Conductivity	pH	Total Dissolved Solids	Packer Flow rate
		M	M	M	g/ML	ppm	ppm		ppm	ppm	uS/cm		ppm	L/Min
upper aquifer	1	86.50	104.50	18.00		N/A								2
sands	2	128.50	134.50	6.00		N/A								4
	3	158.50	164.50	6.00		N/A								2
lower aquifer	4	188.50	194.50	6.00		N/A								2
sands	5	218.50	224.50	6.00	1.1149	836	1054	3.14	404	3288	173400.0		7	170950
	5a-Dup	218.50	224.50	6.00	1.1149	338	1037	3.07	399	3351	173000.0		7	169650
sand gravel	6	249.79	254.50	4.71	1.1299	433	1478	3.41	459	8591	193600.0		7	191100
	7	279.79	284.50	4.71	1.1373	470	1543	3.28	486	3727	198500.0		7	201500
	8	356.50	374.50	18.00		N/A								4
	Dup 8	356.50	374.50	18.00										
QA/QC Standard	Li248					1.2124	256.00			540	106505	302800.0	<0.1	309800
		EOH	376.00			Avg	413							

Figure 2. Packer assays from Well JAM 24-03

- The Company completed Jam 24-04 (well 4) as announced on 17 October 2024 - drilled to a depth of 407m. The brine showed a specific gravity increase to 1.105 gm/cm<sup>3</sup> at 396m depth.

- Patagonia surveyed and located the well to be drilled on the Cilon concession which is planned for after the MRE is computed.
- Work continued on the Production EIR Ekosolve demonstration plant application and it was upgraded to 1,000 tonnes capacity of lithium carbonate with testing on reinjection of waste brines from the proposed Ekosolve Plant into barren areas, and evaporating in the lagoon and ponds.

### **Brazil**

- The Company has been granted 22 of the 25 exploration concessions it applied for in the states of Minas Gerais, Goias and Mato Grosso, Brazil.
- Concession 830164/165 in the Goias state has shown to be highly prospective for rare earths and niobium and Short wave and an Infra-red satellite survey will be conducted when the concessions are granted.
- REE ionic clays and carbonatites and pegmatites targets have been identified and prioritised for the next stage of rock chip, auger and air-core drilling.

### **Corporate**

- The underwriter of the entitlement offer undertaken during the quarter is awaiting regulatory approval to send funds, so interim funding has been put in place to continue with well four which is now completed.
- Cash balance at 30 September 2024 was \$54,000.

Patagonia Lithium Limited (**ASX:PL3**) is a focussed lithium brine, ionic clay Rare Earth, Niobium, Gallium spodumene explorer. The Company is pleased to provide the following update on its activities for the quarter ended 30 September 2024.

Patagonia has two highly prospective projects in the lithium triangle in Argentina, Formentera/Cilon concessions in the Paso Salar, Jujuy Province and the Tomas III concession in the Incahuasi Salar in Salta Province, Northern Argentina. The Company has 22 granted concessions in Mato Grosso, Minas Gerais and Goias states in Brazil.

## **EXPLORATION ACTIVITIES**

### **Formentera/Cilon – Jujuy Province**

The Company's concession covers 1,752 hectares (Has) or approx 17.5 km<sup>2</sup>. Cilon covers 200 Has and operated in the past as a borate mine where ulexite was mined. Sealed road access is excellent and there is a large lagoon to the west in the concession. The 52 National sealed highway runs past the project and the town of Jama is 10km away and Susques is 104km away.

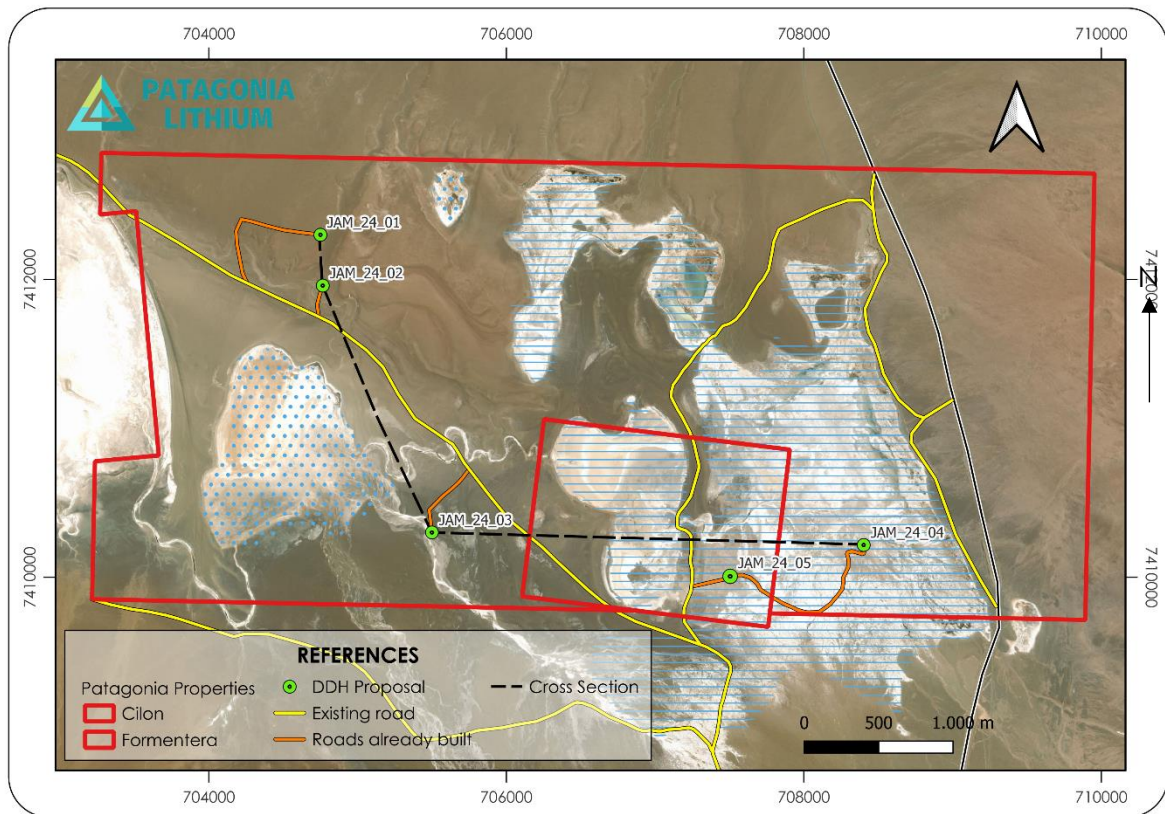


Figure 3. Shows updated plan view of completed drill holes (in green) JAM 24-01, JAM 24-02, JAM 24-03 drilled and 24-04.

### Well 3 – JAM 24-03

Well three was a great success. Highlights were:

- **470ppm Lithium** assay packer sample 37A(279m-284m) in aquifer zone confirms high lithium assay at Formentera Lithium Project, Northern Argentina with range from 336 to 470ppm Lithium ("Strong Results Achieved from Well Three at Formentera" released on 11 September 2024).
- Diamond drill core showing high porosity from 90m to 376m
- Porosity/packer tests show aquifer interval more than 218m in depth
- EOH 376m but open at depth – high conductivity shows 1,500m depth
- 48hour 72,000l pump test to be completed now well is PVC lined and cleaned - very high SG (density) of 1.18gm/cm<sup>3</sup> and conductivity above 200µs
- 8 packer tests taken for assay from 86m to 356m with 6-15m intervals sampled
- 200L pump tests were successfully completed with the interval 249m-356m having a flow rate of not less than 500L/hour with maximum 800L through a 2inch pipe at 279m interval (Strong Brine Flow - Well Three Formentera Lithium Project" released on 14 August 2024).

## Exploration In Brazil

The Company continues its exploration efforts on the concessions that have been granted and has a focus on REE, gallium and niobium mineralisation (ASX announcement 16 July 2024).

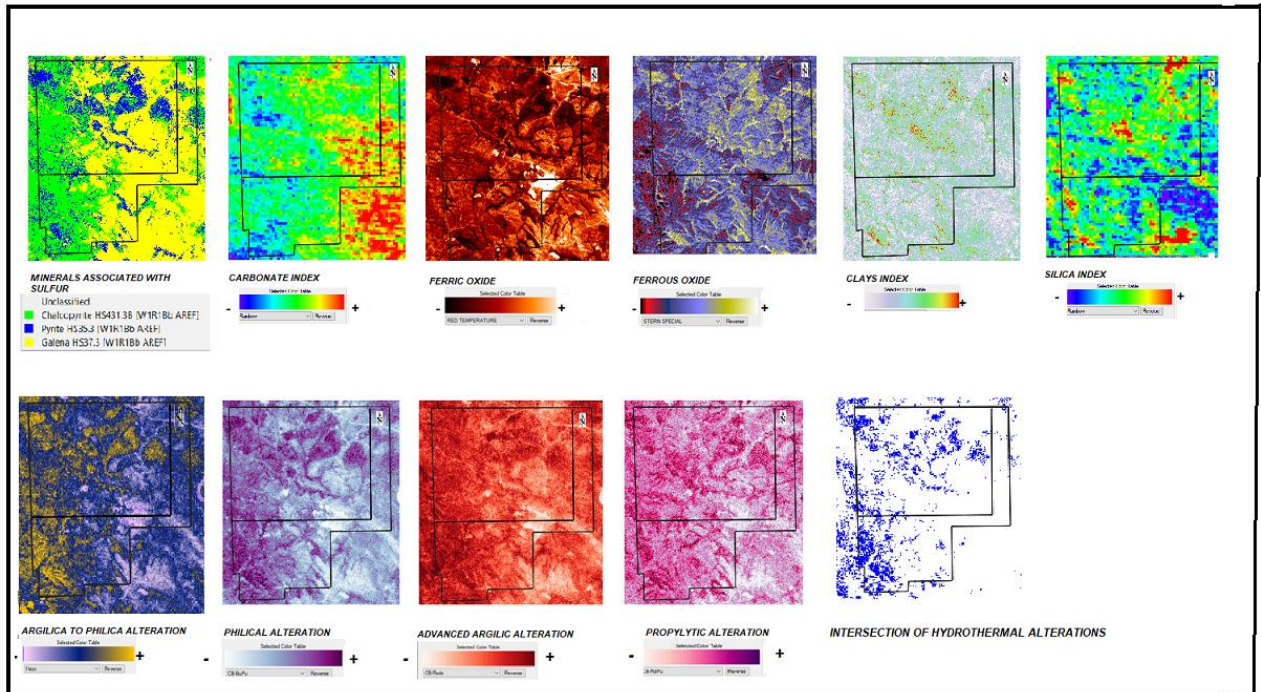


Figure 4. Shows hydrothermal alteration which will be surveyed with Hi-Res Shortwave and IR satellite geophysics to show alteration of minerals on 860164/165 concessions for rare Earths.

## CORPORATE

Drilling and associated exploration activities in Argentina consumed most of the cash reserves to the end of September 2024. This planned expenditure was funded via a loan, convertible note and entitlement offer (Offer). The Offer was partially completed with committed support from our major shareholders. As outlined in the attached Appendix 5B, approximately \$32,000 in payments were made to related parties and their associates for director salaries, superannuation and consultancy fees associated with services provided to 30 September 2024.

The Company spent \$656,000 in relation to exploration activities primarily related to drilling in Formentera, tenement administration and fees, environmental and legal representation related to the granting of Cilon and operations of the Brazilian subsidiary. There were no exploration activities undertaken in Brazil during the quarter.

Pursuant to ASX listing rule 5.3.4, the Company advises the proposed use of funds contained in section 4.11 of the Company's Supplementary Prospectus in comparison to the actual use of funds following admission to the official list of the ASX. The expenditure has exceeded the IPO prospectus use of funds, with additional exploration expenditure related to drilling and associated costs incurred on the Company's exploration assets in Argentina and Brazil.

Use of funds	Prospectus use of funds (\$'000)	Actual to Sep-24 (\$'000)	Remaining balance (\$'000)
Expenses of the offer	812	875	(63)
Project Vendor payments	3,765	3,735	30
Exploration	1,725	3,068	(1,343)
Working capital	2,298	1,486	812
<b>Total expenditure</b>	<b>8,600</b>	<b>9,164</b>	<b>(564)</b>

## TENEMENTS

Name	Location - Argentina	File No	Area Has
Formentera	Jujuy province	518 P2016	1752
Cilon	Jujuy Province	121 I 1993	199
Tomas III	Salta Province	24142	591

## Location - Brazil

ID	CONCESSION	TITLE HOLDER	AREA (ha)	PHASE	DISTRICT	STATE
1	830151/2024	PI3 Brazil Mineracao Ltda	1.949,67	Granted	Ponto Dos Volantes, Monte Formoso	MG
2	830152/2024	PI3 Brazil Mineracao Ltda	1.955,16	Granted	Monte Formoso	MG
3	830153/2024	PI3 Brazil Mineracao Ltda	729,53	Granted	Monte Formoso	MG
4	830154/2024	PI3 Brazil Mineracao Ltda	1.981,26	Granted*	Monte Formoso	MG
5	830155/2024	PI3 Brazil Mineracao Ltda	1.986,53	Granted	Joáima, Monte Formoso	MG
6	830156/2024	PI3 Brazil Mineracao Ltda	1.602,09	Granted	Monte Formoso	MG
7	830157/2024	PI3 Brazil Mineracao Ltda	1.957,42	Granted	Monte Formoso	MG
8	830167/2024	PI3 Brazil Mineracao Ltda	606,89	Granted	Simonésia	MG
9	830169/2024	PI3 Brazil Mineracao Ltda	1.455,07	Granted	Santana Do Manhuaçu	MG
10	830170/2024	PI3 Brazil Mineracao Ltda	933,64	Application	Santana Do Manhuaçu	MG
11	830171/2024	PI3 Brazil Mineracao Ltda	1.934,15	Granted	Teófilo Otoni	MG
12	830172/2024	PI3 Brazil Mineracao Ltda	1.780,24	Granted	Teófilo Otoni	MG
13	830173/2024	PI3 Brazil Mineracao Ltda	1.878,62	Granted	Teófilo Otoni	MG
14	830174/2024	PI3 Brazil Mineracao Ltda	1.971,27	Granted	Teófilo Otoni	MG
15	830176/2024	PI3 Brazil Mineracao Ltda	1.636,94	Granted	Teófilo Otoni	MG
16	830177/2024	PI3 Brazil Mineracao Ltda	1.087,78	Granted	Teófilo Otoni	MG
17	830178/2024	PI3 Brazil Mineracao Ltda	1.739,15	Granted	Água Boa	MG
18	830179/2024	PI3 Brazil Mineracao Ltda	1.913,61	Granted	Água Boa	MG
19	830.192/2024	PI3 Brazil Mineracao Ltda	1.910,28	Granted	Água Boa	MG
20	830.193/2024	PI3 Brazil Mineracao Ltda	1.910,28	Granted	Água Boa	MG
21	830.194/2024	PI3 Brazil Mineracao Ltda	1.916,94	Granted	Água Boa	MG
22	830.195/2024	PI3 Brazil Mineracao Ltda	1.684,16	Granted	Água Boa	MG
23	830.196/2024	PI3 Brazil Mineracao Ltda	1.963,49	Granted	Água Boa	MG
24	860.164/2024	PI3 Brazil Mineracao Ltda	1.997,03	Application	Catalão e Ouvidor	GO
25	860.165/2024	PI3 Brazil Mineracao Ltda	1.265,20	Application	Catalão e Ouvidor	GO

The Company's tenements are all 100% owned. \*One licence application was granted during the quarter in Brazil.

Patagonia confirms that the Company is not aware of any new information or data that materially affects the results listed in this announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

**Exploration related announcements during the September 2024 quarter (and up to the date of this report):**

17 October	Well Four Completed at Formentera
9 October	High Priority REE and Lithium Concession Granted in Brazil
26 September	Well Four Commences at Formentera Lithium Project
19 September	Well 3 Cores Sent for Porosity Testing
18 September	Outstanding Result Achieved from Well Three Pump Test
16 September	High Porosity Results Achieved from Well Two at Formentera
11 September	Strong Results Achieved from Well Three at Formentera
14 August	Strong Brine Flow - Well Three Formentera Lithium Project
2 August	Well Three Commences at Formentera Lithium Project
17 July	Cilon Drill Permit Approved
16 July	REE Clay System Identified in Metasediments in Brazil

Authorised for release by the Board of Patagonia Lithium Limited.

For further information please contact:

Phillip Thomas  
Executive Chairman  
**Patagonia Lithium Ltd**  
E: [phil@patagonialithium.com.au](mailto:phil@patagonialithium.com.au)

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

**About Patagonia Lithium Limited**

Patagonia Lithium has two major lithium brine projects – Formentera/Cilon in Salar de Jama, Jujuy province and Tomas III at Incahuasi Salar in Salta Province of northern Argentina in the declared lithium triangle. It has also applied **for 41,746 Has** of concessions exploring for **ionic REE clays, Niobium, and lithium in pegmatites**.

Since listing on 31 March 2023, recharge water analysis, surface sampling and MT geophysics have been completed in preparation of an upcoming drill program at Formentera, where the first well JAM 24-01 has been completed with MT Geophysics at Tomas III showing low resistivity and very prospective. In July 2023, a 13 hole drill program was submitted for approval which was granted in January 2024. Samples as **high as 1,100ppm lithium** (2 June 2023 announcement) were recorded at Formentera and resistivity values as low as 0.3Ω.m were recorded during the MT Geophysics survey at Formentera making the project highly prospective. It is focused on the systematic exploration and development of its projects and contemplates using the Ekosolve™ Direct lithium extraction process to minimise fresh water usage and maximise recovery. Mr Phillip Thomas is a Director and Shareholder of Ekosolve Ltd.

## Appendix 5B

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

Name of entity

Patagonia Lithium Limited

ABN

37 654 004 403

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(31)	(144)
(e) administration and corporate costs	(188)	(538)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	31
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(219)</b>	<b>(651)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(656)	(2,599)
(e) investments	-	-
(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	30
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(656)</b>	<b>(2,569)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	39	39
3.2 Proceeds from issue of convertible debt securities	400	400
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(44)	(44)
3.5 Proceeds from borrowings	306	306
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>701</b>	<b>701</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	290	2,651
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(219)	(651)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(656)	(2,569)



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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	701	701
4.5	Effect of movement in exchange rates on cash held	(10)	(26)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>106</b>	<b>106</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	106	290
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>106</b>	<b>290</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	29
6.2	Aggregate amount of payments to related parties and their associates included in item 2	3
<p><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></p> <p>6.1 Includes payments of directors fees 6.2 Includes exploration consulting services provided by a director</p>		

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	306	306
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	400	400
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>During the quarter the company raised \$400,000 upon the issue of \$400,000 convertible notes with a conversion price of \$0.09 that expire on 10 January 2025.</p> <p>During the quarter the company also raised \$305,974 from short-term funding. These amounts are due for repayment on 14 January 2025.</p>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(219)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(656)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(875)
8.4 Cash and cash equivalents at quarter end (item 4.6)	106
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	106
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	0.12
<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: Yes. Exploration activity is planned to continue in Argentina and Brazil.	
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: On 23 October 2024, the company announced it had raised \$1.343 million before cost upon the issue of 14,650,250 fully paid ordinary shares.	

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

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: Yes. The Company expects to be able to continue its operations and to meet its business objectives following fundraising activities as detailed above. If funding support is not sufficient to meet planned expenditures, the Company will reduce corporate expenditure and other activities as required.

One of the company's major shareholders is seeking government permission to transfer funds from China to complete a binding obligation to subscribe for the shortfall on our recent entitlement issue up to an amount of \$1.65m.

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.

## 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: 25 October 2024

Authorised by: the Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.