PURSUIT MINERALS

ASX RELEASE

31 October 2023

September 2023 Quarterly Activities Report

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HIGHLIGHTS

Rio Grande Sur (RGS) Lithium Project

- **Substantial maiden JORC inferred resource of 251.3kt LCE at 351 Mg/Li establishes Rio Grande Sur as a significant Argentinian Lithium project with scope for ongoing growth.**
- **Completion of TEM and CSAMT geophysical surveys which both produce highly encouraging results identifying multiple zones highly prospective for Lithium enriched brines.**
- **The TEM survey data outlined multple 100m thick low resistivity (high conductivity) layers from approximately 150m to 300m depth across the salar tenements.**
- **The CSAMT survey revealed two distinct resistivity layers including a large, deep and contiguous extremely low resistivity layer located from 200m to 600m depth at the Mito tenement.**
- **Completion of the acquisition of the Lithium Carbonate Pilot Plant in Salta Argentina which has historically produced technical and battery grade Lithium Carbonate for $365,000 USD.**
- **Pilot Plant was relocated to a purpose new facility in the city of Salta and is currently in the process of being commissioned for the first production of Lithium Carbonate.**
- **Maiden diamond drilling campaign to commence this quarter and will be focused on resource growth through 4 diamond drill holes and a pumping well targeting a resource upgrade to the measured category.**

Corporate

- **Resignation of Finance Director & Company Secretary Mark Freeman and appointment of Mr Vito Interlandi as Company Secretary.**

Pursuit Managing Director, Aaron Revelle, said:

"The September quarter was again a busy time for the Company with settlement on the acquisition of the Lithium Carbonate pilot plant to drive the Rio Grande Sur (RGS) Lithium Project in Argentina as we work towards becoming the 3rd Lithium Carbonate producer on the ASX. Geophysical programs of TEM and CSAMT surveys were completed where the results demonstrated multiple highly prospective areas for Lithium brines with the quarter culminating in our maiden JORC inferred resource of 251.3kt LCE at 351mg/Li. Over the coming quarter we look forward to advancing these development work streams

targeting resource growth at the Rio Grande Sur Project from our maiden drilling campaign along with the first production of Lithium Carbonate anticipated for from the pilot plant following completion of major engineering work streams allowing for the commencement of commissioning and commencement of operations."

Pursuit Minerals Limited **(ASX: PUR**, **Pursuit** or the **Company)** is pleased to report on exploration and corporate activities during the September 2023 Quarter.

Rio Grande Sur (RGS) Lithium Project Argentina

The Rio Grande Sur Project comprises 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).

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
	Total	**9,232.96**	

Figure 1: RGS Project location in the 'Lithium Triangle' Region

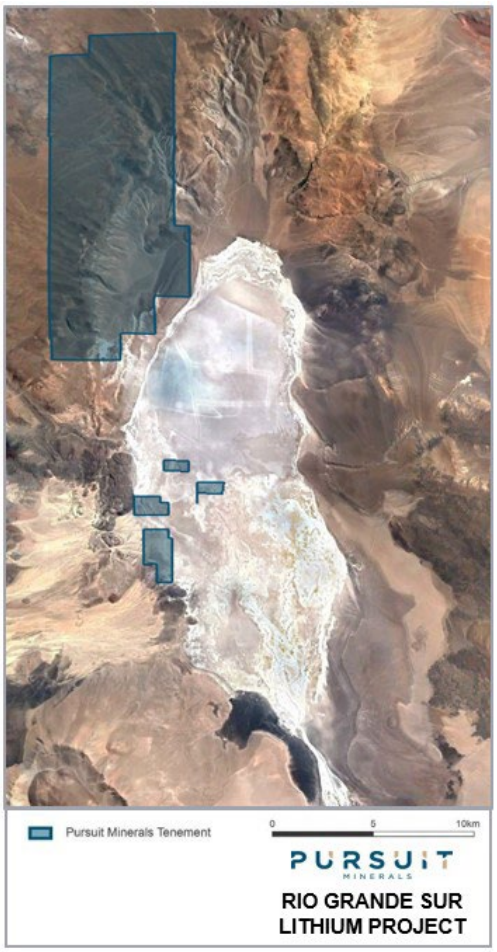

Figure 2: Rio Grande Sur Tenement Map

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Rio Grande Sur Maiden Mineral Resource Estimate

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 its Rio Grande Sur Project in Salta, Argentina[1].

This strong result comes less than 7 months after Pursuit acquired the Rio Grande Sur Project and marks the start of what the Company 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^3)	Avg. Li Grade (mg/L)[1]	Average Sy	In Situ Li (Kt)	LCE[2] (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
	Total[5]	**131.9**	**351[3]**	**0.058[4]**	**46.3**	**251.3**

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 LIhtium Grades used
4. Weighted Average for Specific yield (SY) values used
5. There may be minor discrepancies in the above table due to rounding

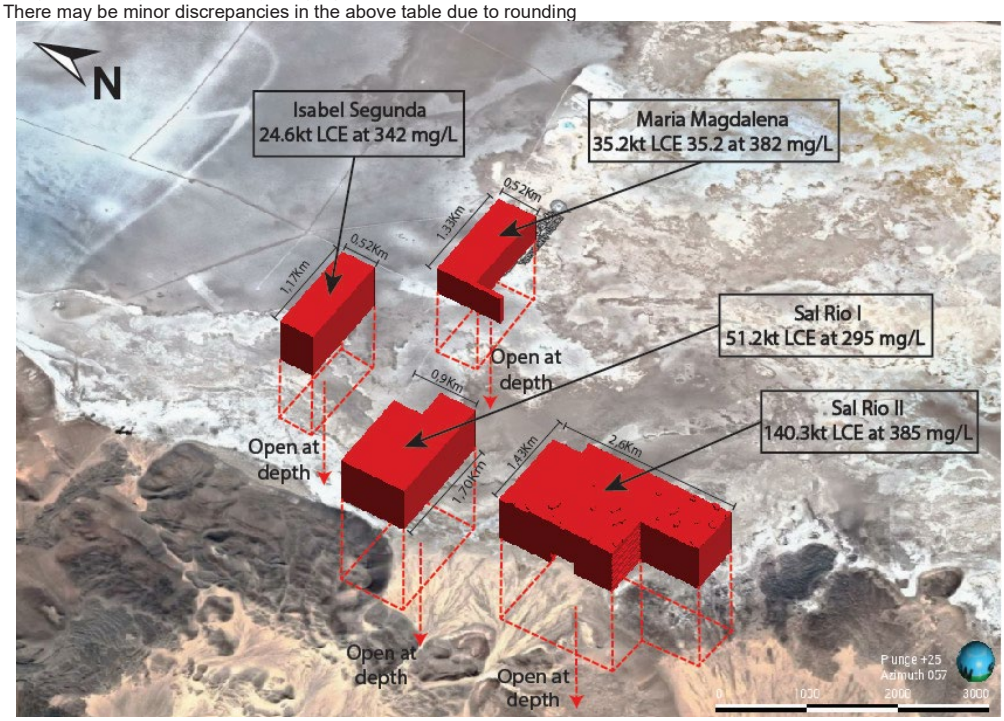

Figure 3: Maiden JORC Mineral Resource Estimate for Rio Grande Sur 3D Model

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

Maiden Drilling Program

With resource growth a key focus for Pursuit, the Company is awaiting receipt of the drilling permits from the Salta Mining Secretary to commence its Stage 1 Drilling Campaign at the Rio Grande Sur Project.

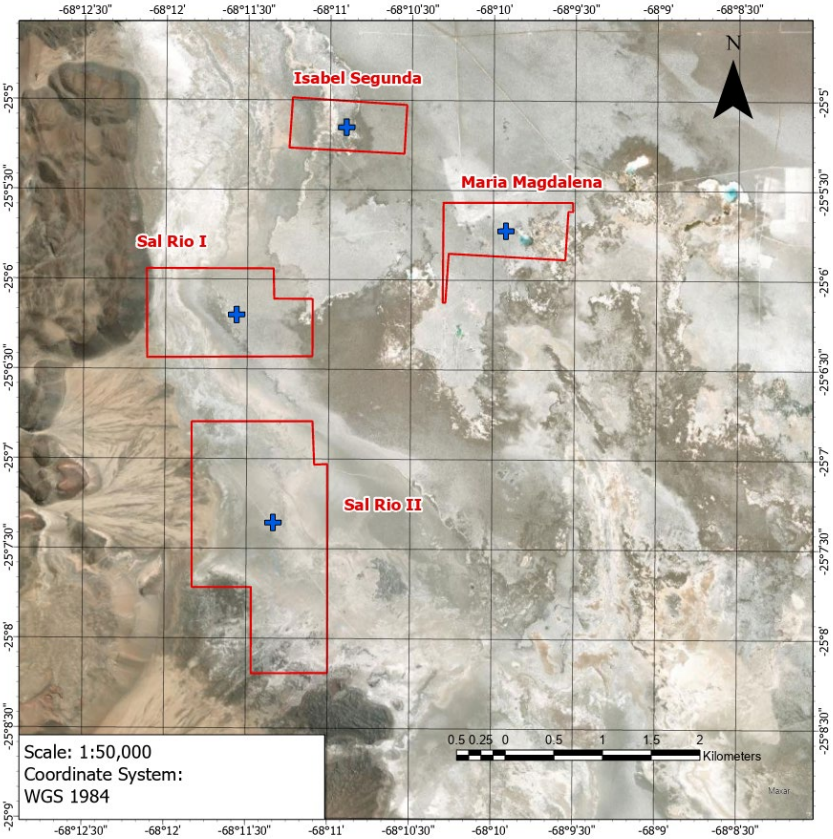

Figure 4 – Proposed locations of Stage 1 Exploration Drilling

SRK has identified the following locations for the proposed Stage 1 drilling program following the completion of the TEM Survey at the Rio Grande Sur Project. Stage 1 will additionally feature a pumping well which the location of will be determined following the completion of the first 2 diamond holes in order to support the development of a JORC Mineral Resource Estimation in the measured resource category.

Pursuit expects the drilling permit applications to be granted in the near term, following submissions of amendments and queries, along with the approval of water usage permits by REMSA having been completed earlier in the year.

TEM Survey Results

During the quarter, the Transient Electromagnetic (TEM) Geophysical survey was completed at the Rio Grande Sur Project which yielded significant results identifying multiple zones highly prospective for Lithium enriched brines.

The TEM results support the 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 Magdelena 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.

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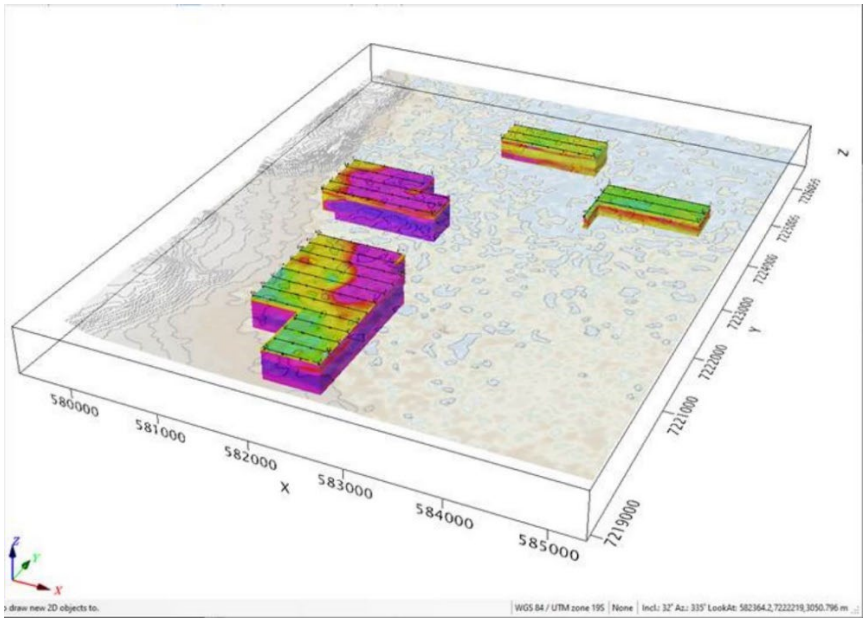

Figure 5 – TEM Survey Results in 1D resistivity volume distributions.

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 the 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.

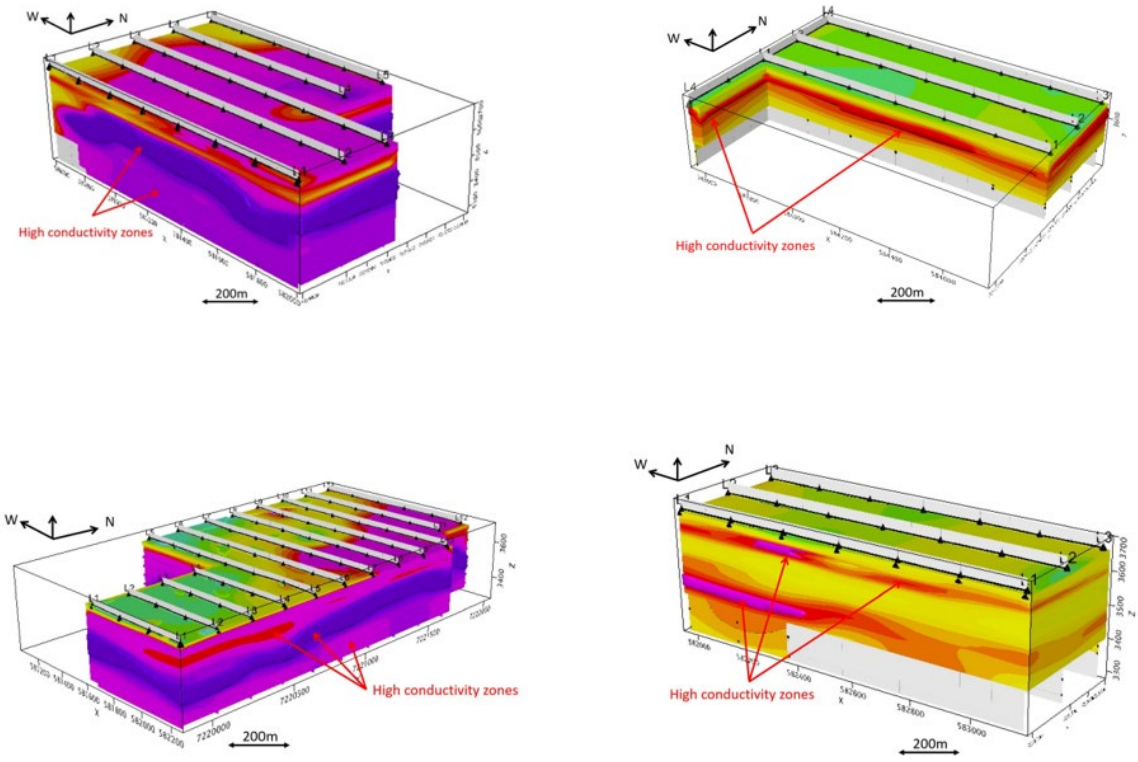

Figure 6 – 3D visualization of processed TEM data for Isabel Segunda, Maria Magdelena, Sal Rio I & Sal Rio II

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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 7 – Quantec on site during the TEM Survey

The proposed forward works program consists of a Stage 1 Drilling Program as outlined in the Maiden Drilling Campaign section of four exploration drill holes, one for each of the Sal Rio I, Sal Rio II, Maria Magdalena, and Isabel Segunda tenements.

CSAMT Survey Results

During the quarter, the Controlled Source Audio Magneto Telluric (CSAMT) Geophysical survey was completed by Quantec Geosciences Argentina (Quantec) at the Mito tenement of the Rio Grande Sur Project which yielded significant results identifying multiple resistivity layers considered highly prospective for Lithium enriched brines.

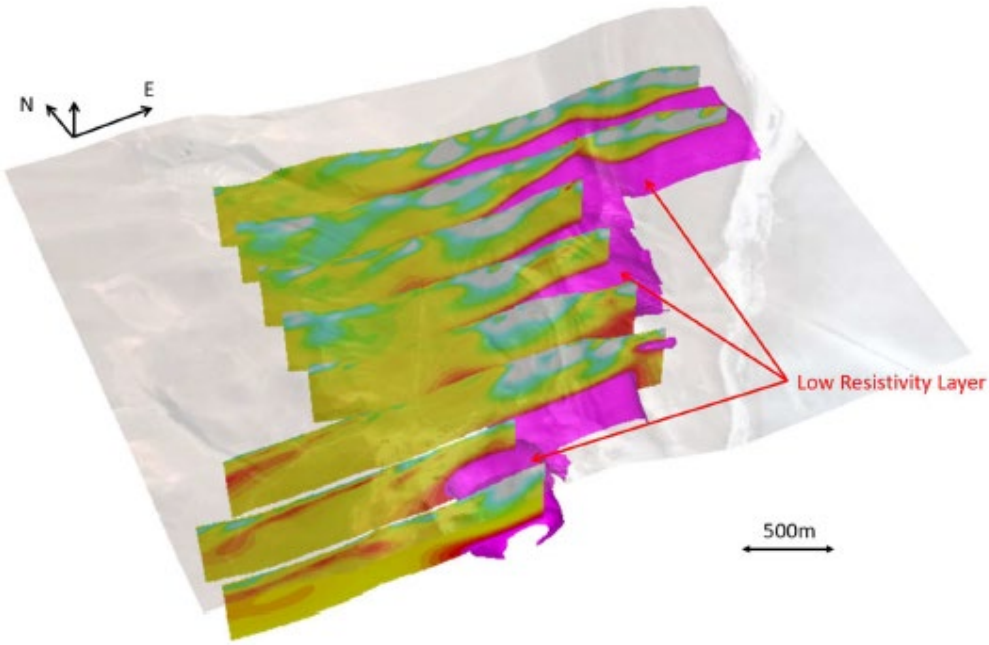

Figure 8 – 3D rendering of Low Resistivity Layer at the Mito Tenement

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.

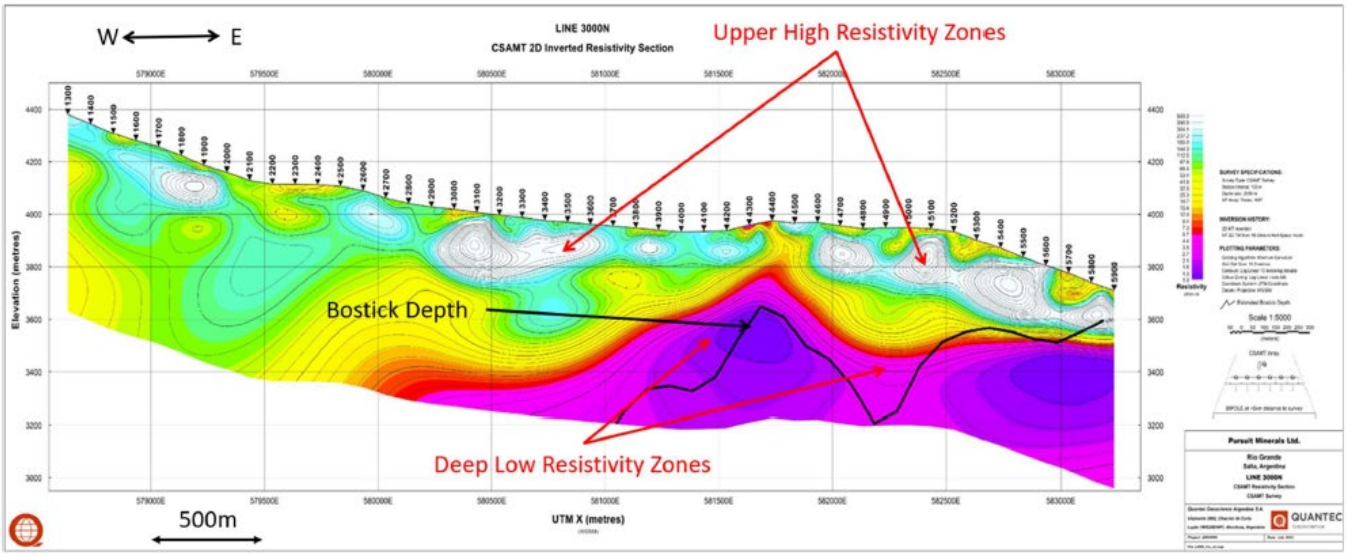

Figure 9 – 2D inversion Resistivity Section: 3000 North from the CSAMT Survey

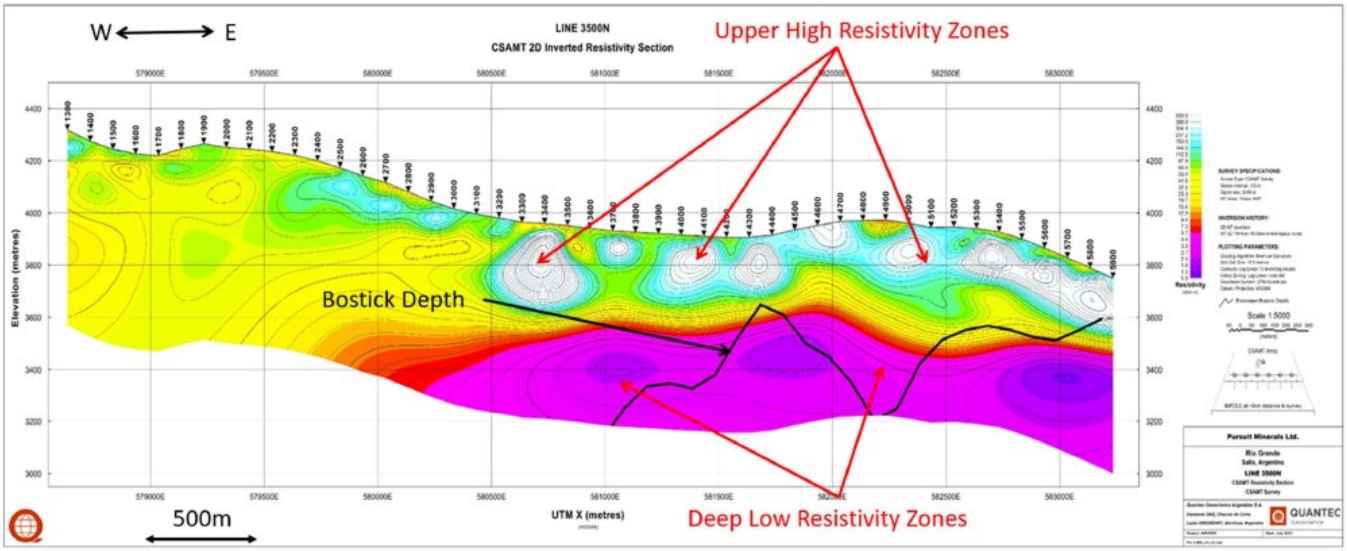

Figure 10 – 2D inversion Resistivity Section: 3500 North from the CSAMT Survey

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. The proposed Stage I forward works program for 2023 currently consists of drilling four exploration drill holes, one for each of the Sal Rio I, Sal Rio II, Maria Magdelena and Isabel Segunda tenements, in addition to a pumping well with the location to be decided at the time of the drilling campaign.

Additional drill holes on the Mito Tenement are planned for 2024 to test the potential for brine in the low resistivity layers identified from the CSAMT data. Actual locations and nominal depths will be confirmed and established prior to drilling.

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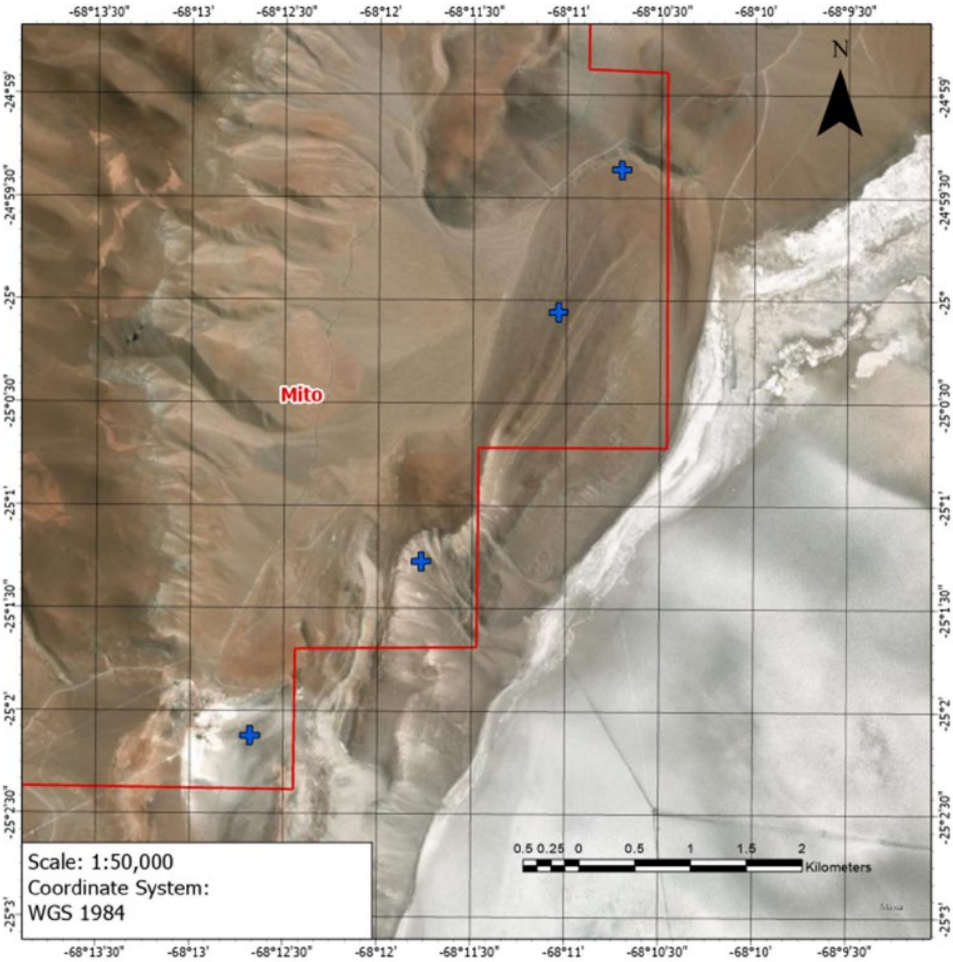

Figure 11 – Proposed Drill Hole Location for Mito Drilling Campaign

Lithium Carbonate Pilot Plant

During the quarter, on 12 August the Company announced the completion of the acquisition of the Lithium Carbonate Pilot Plant for a total purchase price of $365,000 USD.

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 plat achieved a run rate of 750kg/d+ / 100tpa name plate capacity and employed 33 people for a period of 12 months.

Following completion of the acquisition, the Company progressed with its commissioning and start up works of the Lithium Carbonate Pilot Plant. A key focus for the company is the achievement of the principal Stage 1 milestone of producing consistent technical and battery grade Lithium Carbonate product from ongoing 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.

Accordingly, the Plant was recently relocated to a new facility where works have commenced with the commissioning and reassembly of the pilot plant, targeting the production of Lithium Carbonate from Rio Grande Sur brines.

Figure 12 – Plant mixing tanks and columns being relocated to the new Pursuit Lithium Facility in Salta, Argentina.

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Near term plant operations are intended to produce both battery and technical grade Lithium Carbonate of sufficient quantity to generate samples for potential end users and off-take customers. Commissioning activities to adjust the Plant's block circuit for the processing of Rio Grande brines have commenced. Once this has been completed, Pursuit will begin processing brine from Rio Grande Sur with the aim of producing technical and battery grade Lithium Carbonate.

It is intended that the Plant will be relocated to the site and expanded to a larger production rate following initial successful production at the Salta facility. The Salta facility is being designed in a manner that will allow for an exact replication at the Rio Grande site, with significant testing and optimisation carried out in Salta prior to the relocation. Moving the plant to the site will create a continuous processing operation in real environment conditions following the successful first production of Lithium Carbonate in Salta.

The Sal Rio 2 tenement has been selected for the location of the evaporation ponds and plant due to its topographical characteristics and superior evaporation rates.

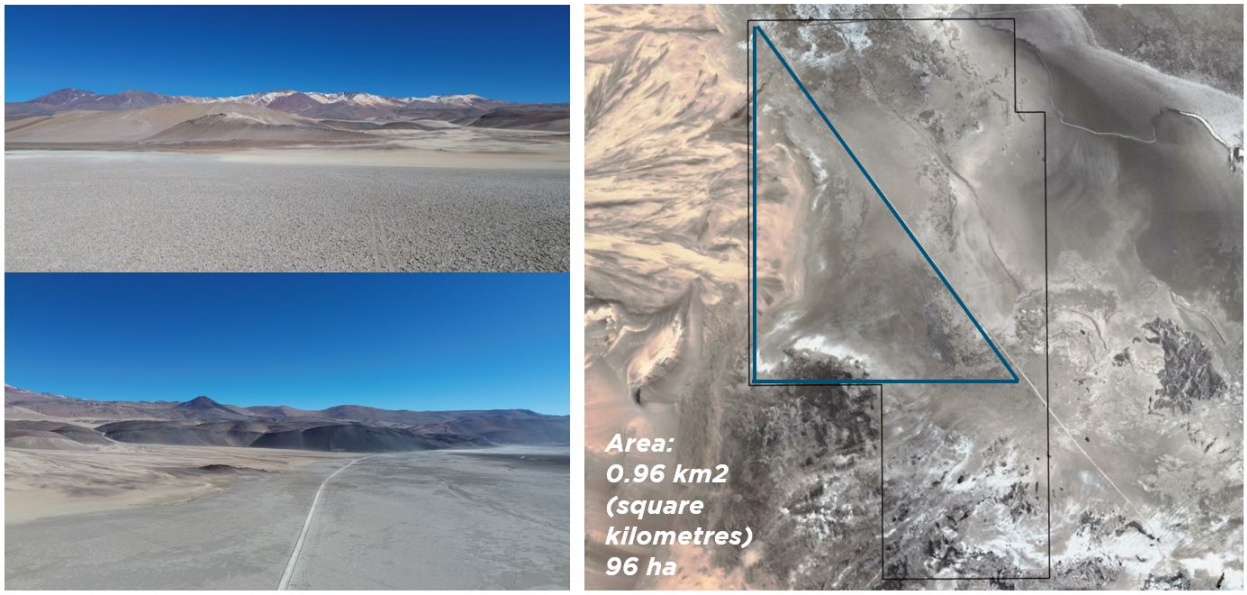

Figure 13 – Proposed Pond Location at Rio Grande Sur

WA Project Portfolio

Pursuit has received a number of third-party approaches to buy or JV our WA projects, which we are actively reviewing.

Corporate

Mr Mark Freeman resigned as Finance Director and Company Secretary effective 31 August 2023. Mr Vito Interlandi was appointed Company Secretary effective 31 August 2023.

The Consolidated Annual Report for the year end 30 June 2023 was lodged to the ASX on 29 September 2023.

The Annual General Meeting for the Company is being held on Tuesday 28 November 2023 at Nexia Australia, Level 35, 600 Bourke Street, Melbourne, VIC, 3000 at 11:00am AEDT. The Notice of Annual General Meeting was lodged on 27 October 2023.

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Financial Performance

The Company had a strong cash position of $3.674 Million as of 30 September 2023 with no debt.

In line with its obligations under ASX Listing Rule 4.7C.1, as outlined in the attached Appendix 5B (section 6.1) for the three months ended 30 September 2023 the Company recognised $287,921 in payments were made to related parties and their associates for director salaries, superannuation, legal services and consultancy fees associated with services provided from June 2023 to September 2023.

Tenement Listing

As at 30 September 2023, the Company had a 100% ownership interest in tenements shown in Table 3 below:

Table 3: Pursuit Tenement holdings 30 September 2023

Project	Tenement	Location	Area (km^2)	Expiry Date
Warrior	E70/ 5378 - Calingiri West	WA	126.06	29/07/2026
Warrior	E70/5392 - Bindi Bindi	WA	94.49	01/12/2025
Warrior	E70/5379 – Calingiri East	WA	179.08	01/12/2025
Warrior	E70/5493 - Wubin	WA	192.98	25/11/2025
Warrior	E70/5678 – Wubin South	WA	53.41	17/01/2026
Commando	E24/199	WA	8.36	15/10/2025
Commando	M 24/282	WA	0.44	28/03/2031
Commando	M24/485	WA	0.10	16/07/2030
Commando	M24/503	WA	4.70	15/07/2030
Commando	M 24/641	WA	1.04	15/07/2030
Commando	P24/4961	WA	0.05	25/08/2024
Commando	P24/4967	WA	2.01	3/11/2023
Commando	P24/5192	WA	0.67	22/10/2025
Rio Grande Sur	Maria Magdalena	Argentina	0.7326	
Rio Grande Sur	Isabel Segunda	Argentina	0.5925	
Rio Grande Sur	Sal Rio 1	Argentina	2.9826	
Rio Grande Sur	Sal Rio 2	Argentina	1.4219	
Rio Grande Sur	Mito	Argentina	8.660	

This release was approved by the Board.

- ENDS -

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

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T: + 61 413 275 456

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 realize the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties.

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Appendix 5B
Mining exploration entity quarterly report

Name of entity
Pursuit Minerals Ltd

ABN
27 128 806 977

Quarter ended ("current quarter")
30/09/2023

		Current quarter $A'000	Year to date $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for	-	-
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(245)	(245)
	(e) administration and corporate costs	(1,030)	(1,030)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(3)	(3)
1.6	Income taxes paid	-	-
1.7	Government Grants and tax incentives	-	-
1.8	Other Income	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,278)**	**(1,278)**
2	**Cash flows from investing activities**		
2.1	Payments to acquire		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(566)	(566)
	(d) exploration & evaluation (if capitalised)	(304)	(304)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from sale of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	39	39
	(d) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flow 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**	**(831)**	**(831)**

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3.	**Cash flows related to financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,627	3,628
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	-	1
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Cost of Capital	(184)	(185)
3.6	Repayment of borrowings	(52)	(52)
3.7	Provision of loan	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**3,391**	**3,392**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash at beginning of period	2,392	2,393
4.2	Net cash from /(used in) operating activities (item 1.9 above)	(1,278)	(1,278)
4.3	Net cash from /(used in) investing activities (item 2.6 above)	(831)	(831)
4.4	Net cash from /(used in) financing activities (item 3.10 above)	3,391	3,392
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,674**	**3,676**

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	3,674	2,393
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)**	**3,674**	**2,393**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to the parties included in item 1.2 and 2.1(d)	287
6.2	Aggregate amount of loans to the parties included in item 2.3	0

6.3 Explanation necessary for an understanding of the transactions
Payments include consulting fees and directors fees

7.	**Financing facilities**	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	18	18
7.2	Credit standby arrangements	-	-
7.3	Other (plese specify)	-	-
7.4	**Total financing facilities**	18	18
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 amd 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.

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8. Estimated cash available for future operating activities

		$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,278)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(304)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	**(1,582)**
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,674
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,674
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	**2.3**

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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

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

Answer: N/A

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

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 October 2023

Authorised by: Board of Directors
(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.