

STRATEGIC COMMERCIAL DEVELOPMENT PLAN FOR SCALABLE LITHIUM PRODUCTION AT RIO GRANDE SUR

HIGHLIGHTS

- Updated phased development plan for the Rio Grande Sur (RGS) Project, designed to support scalable, long-term lithium production.
- Scalable growth strategy, with a modular design enabling staged expansion from 5,000tpa to 15,000tpa, subject to financing and market conditions.
- Phase 1: Relocation of the existing 250tpa lithium carbonate plant to Rio Grande Sur, enabling early-stage production, de-risking processing methodology, and generating potential near-term cash flow.
- Phase 2: Expansion to 5,000tpa at Sal Rio 02, establishing a larger-scale lithium supply as the market transitions from surplus to deficit in the coming years.
- Phase 3: A 10,000tpa expansion at Mito, bringing total production capacity to 15,250tpa, further strengthening Pursuit's position as a scalable lithium producer.
- Low capital intensity for Stage 1 continuous production: Only USD \$9.7 million (AUD \$15.25 million) required to relocate the plant and construct evaporation ponds, enabling efficient operational ramp-up.
- Strategic alignment with Argentina's Régimen de Incentivos para Grandes Inversiones (RIGI): Pursuit expects to qualify for RIGI based on its multi-stage investment strategy, positioning the project to benefit from significant fiscal and regulatory incentives.

Pursuit Minerals Ltd (ASX: **PUR**) ("**PUR**", "**Pursuit**" or the "**Company**") is pleased to provide the following update on its commercial development plan for the multistage production of Lithium at the Rio Grande Sur Project.

The Company is progressing with its commissioning and start up works of the Lithium Carbonate Pilot Plant (Plant). The Plant is in the final stages of start-up works with commissioning mostly complete. The first synthetic brine (brine which is chemically identical to the evaporated brine of Rio Grande Sur) is expected to commence processing in the next 2 weeks.

This milestone is a crucial step in de-risking the production methodology and validating the commercial potential of lithium carbonate production at Rio Grande Sur. With a modular, scalable approach, the Company is well-positioned to respond to increasing market demand while ensuring an efficient capital deployment strategy.

In relation to the development plan, Pursuit Managing Director & CEO, Aaron Revelle, said:

"The Rio Grande Sur Project is advancing rapidly, with a clear pathway to scalable lithium production. The relocation of our 250tpa Lithium Carbonate Plant marks a pivotal step toward early-stage production, enabling continuous

operation while de-risking our processing methodology. This strategic approach positions Pursuit for near-term cash flow while laying the foundation for large-scale expansion.

The Company’s modular development strategy, progressing from 5,000tpa at Sal Rio 02 to 15,000tpa at Mito, aligns with the anticipated shift in lithium markets from surplus to deficit, ensuring we bring significant new supply online at a time of growing demand. Importantly, our investment plan is structured to qualify for Argentina’s Large Investment Incentive Regime (RIGI), unlocking valuable fiscal and regulatory benefits that enhance project economics.

With commissioning of the Lithium Carbonate Plant in its final stages and first production targeted for Q1 2025, Pursuit is making meaningful strides toward becoming a lithium carbonate producer. We are excited about the next phase of growth and remain committed to delivering long-term value through a cost-efficient, phased development approach that ensures sustainable expansion while maintaining capital discipline.”



Figure 1 – 250tpa Lithium Carbonate Pilot Plant in Salta, Argentina.

Lithium Carbonate Pilot Plant

The plant is set to produce technical-grade lithium carbonate in quantities sufficient to meet the needs of potential end users and off-take customers, with Pursuit already receiving multiple sample requests. Commissioning activities to optimise the plant’s circuit for processing Rio Grande brines are well advanced and near complete. Pursuit plans to begin processing synthetic brine in the coming weeks, targeting the initial production of technical grade and later battery-grade lithium carbonate.

Staged Commercial Scale Production Strategy

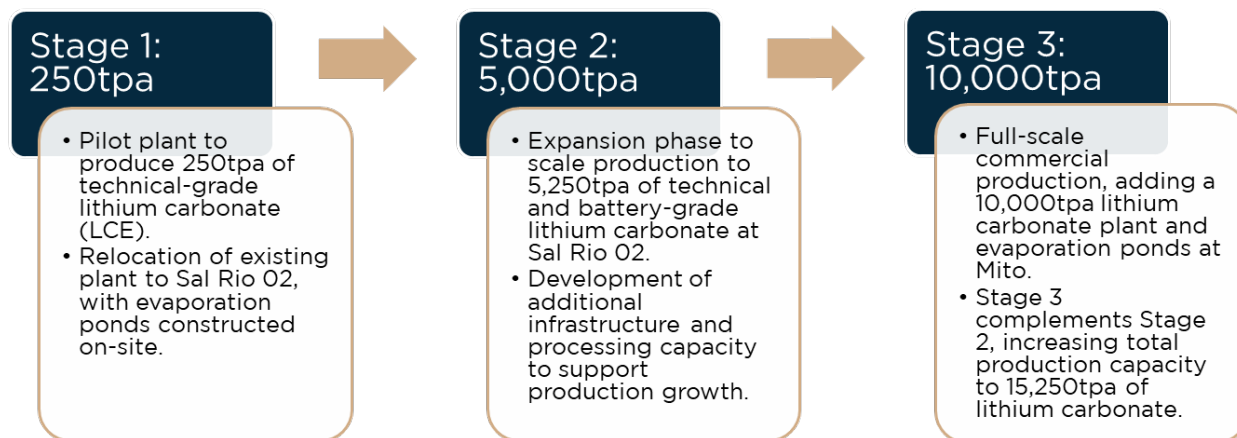


Figure 2 – Commercial Development Plan for the Rio Grande Sur Lithium Project.

Pursuit intends to commence lithium carbonate production through a phased development strategy, beginning with Stage 1, which involves the relocation of the existing 250tpa lithium carbonate plant to Rio Grande Sur. This stage is designed to enable early-stage continuous production, optimise processing methods, and de-risk large-scale operations. The capital expenditure (CAPEX) for Stage 1 is estimated at USD \$9.751 million, covering plant relocation, construction of evaporation ponds, and associated infrastructure to establish steady-state operations.

Following the successful commissioning of continuous 250tpa production, Stage 2 will, subject to completion of favourable feasibility studies by Pursuit, see the development of a 5,000tpa lithium carbonate facility at the Sal Rio 02 tenement, utilising evaporation ponds and brine from the Maria Magdalena wellfield. This phase is critical in validating the commercial viability of Rio Grande Sur, ensuring scalable and sustainable production growth.

Upon the successful execution of these initial phases, Pursuit will then consider Stage 3 development that will focus on expansion at the Mito tenement, where a second 10,000tpa facility is planned. This would, if the plans are executed, will bring the total potential lithium carbonate production capacity to 15,250tpa, enabling Pursuit to scale efficiently, in alignment with market demand and strategic growth objectives.

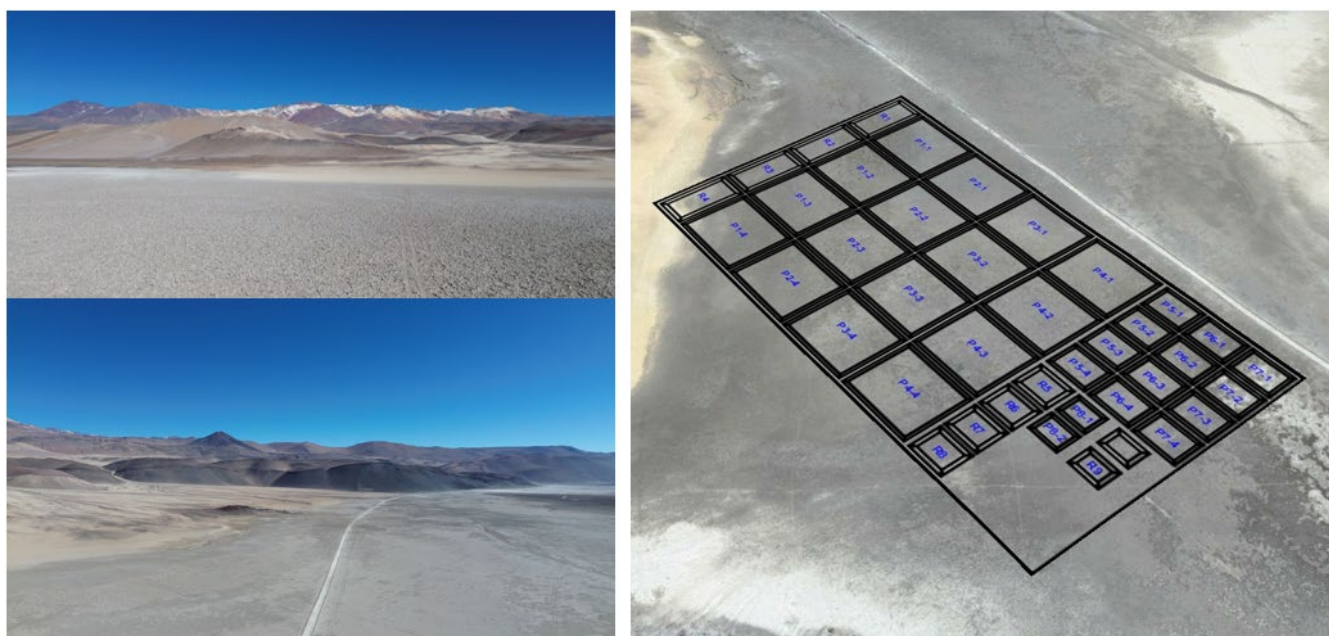


Figure 3 – Proposed Pond Location at Rio Grande Sur for 250tpa continuous operations

The outputs outlined in this development plan are theoretical output production numbers based on plant capabilities currently being utilised for scoping and feasibility study works to assess the economic and technical viability of the staged production strategy. As these studies progress, assumptions, costs, and timelines may be subject to refinement and modification based on further engineering assessments, market conditions, and regulatory considerations. Pursuit will continue to update stakeholders as additional data becomes available and feasibility milestones are achieved.

Please note Cautionary Statement & Listing Rule 5.15-5.19 Disclosure at the end of the announcement.

Large Scale, High-Grade, Low-Cost path to Production

Following the recent JORC resource upgrade at the Rio Grande Sur Project¹, the production strategy has been updated and is now being incorporated into the ongoing scoping and feasibility studies to reflect the larger scale commercial development plan for the Rio Grande Sur Project.

¹ See ASX announcement dated 9 December 2024

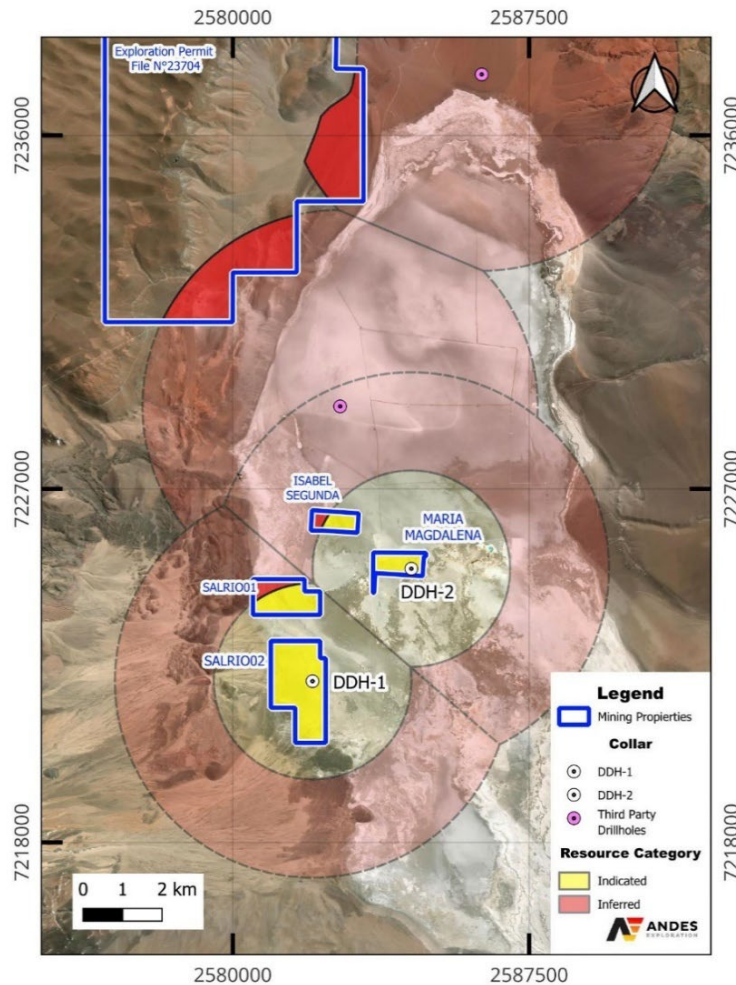


Figure 4 – Mineral Resource Categorization for the Rio Grande Sur Project

The recent high grade resource upgrade by 339% to 1,104,300 tonnes LCE (Lithium Carbonate Equivalent) at an average Lithium concentration of 505.8mg/l Li (“milligrams per litre of Lithium”) across Indicated (591.8kt @ 515.1mg/l Li) and Inferred categories (512.5kt @ 495.4mg/l Li) has presented the opportunity to evaluate a staged production strategy.

The approach ensures a more manageable and capital-efficient development process while maintaining strong profitability in the current price environment, with lithium prices ranging between \$10,000 and \$11,000 USD per tonne.

Pursuit expects the initial feasibility studies regarding this staged production approach to be released in the first half of 2025.

Participation in Argentina’s Incentive Regime for Large Investments (“RIGI”)

The Incentive Regime for Large Investments (RIGI), enacted by the Argentine Congress in July 2024, offers significant fiscal benefits to qualifying projects across key mining provinces, including Salta, where the Rio Grande Sur Lithium Project is located. These incentives include:

- A reduced federal corporate income tax rate from 35% to 25%;
- Elimination of export duties on lithium carbonate sales; and
- Accelerated tax depreciation for plant and equipment.

To qualify for RIGI participation, projects must exceed USD \$200 million in total investment and allocate at least 40% of this amount, or USD \$80 million, within the first two years following approval. The program is set to expire in July 2026, requiring applications before this deadline, with the minimum investment threshold to be

met by July 2028. Despite expiration in 2026 it is expected that the RIGI program will be renewed and extended through to 2028 and 2030.

The Rio Grande Sur Lithium Project is structured as a multi-stage development, allowing for progressive scaling of production capacity while maintaining capital efficiency. While early-stage investment is expected to be below USD \$200 million, Pursuit's full project roadmap is expected, subject to further definition in feasibility studies, to exceed this threshold through a structured expansion strategy:

- Stage 1: Relocation of the 250tpa lithium carbonate plant and initial production at Rio Grande Sur.
- Stage 2: Expansion to 5,000tpa at Sal Rio 02 (5,250tpa including the Pilot Plant).
- Stage 3: A 10,000tpa expansion at Mito, which would bring total project production capacity to 15,250tpa of lithium carbonate.

With this phased investment approach, Pursuit expects to meet RIGI's criteria over the course of the project's development. The Company is confident that the planned capital deployment will align with the investment requirements of the program, ensuring a clear pathway to RIGI qualification. Based on comparable lithium projects in the region, Pursuit intends to submit an application for RIGI participation and is actively aligning its investment strategy to maximise the benefits available under the program.

This release was approved by the Board.

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

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Competent Person's Statement and Listing Rule 5.23 Disclosure

Statements contained in this announcement regarding exploration results are based on, and fairly represent, information compiled by Mr. Leandro Sastre Salim, BSc (Geology) from the National University of Salta, Argentina, and a Graduate Degree in Mineral Economics from the University of Chile. Mr. Sastre has also completed the Management Development Program at the University of Miami's Herbert Business School and has extensive experience in the mining industry across Latin America and Asia-Pacific. Mr. Sastre is a General Manager of Andes Exploration LLC and a Consultant to the Company. Mr. Sastre 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. Sastre consents to the inclusion of this information in this announcement in the form and context presented, confirming it meets listing rules 5.12.2 to 5.12.7 as an accurate representation of the available data and studies for the referenced mining project.

Cautionary Statement Listing Rule 5.15-5.19 Disclosure

The production strategy outlined in this announcement is based on a staged development approach, with production scenarios that are subject to further feasibility studies, permitting, financing, and operational execution. The Company's future production potential is dependent on successful implementation of these development stages and does not represent a definitive production target under ASX Listing Rules 5.15-5.19. The proposed expansion beyond the initial development phase remains subject to further resource definition, economic analysis, and funding arrangements, and may be subject to delays or changes depending on technical, economic, and regulatory factors. Investors should note that there is no guarantee that these production scenarios will be achieved within the stated timeframes or at all. Where reference is made to potential future production, the Company confirms that there are reasonable grounds to support the evaluation of such development pathways; however, these remain contingent on the results of ongoing technical, financial, and environmental assessments. Accordingly, take caution not to place undue reliance on forward-looking statements contained in this announcement.

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.