

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2023

HIGHLIGHTS

MERN has officially granted Pure the remaining mining titles of the Company's Laforge Lithium Project, a significant belt-scale project, totalling 261km², situated 65km northeast of PMT's Corvette discovery in the Superior Province, Quebec, Canada.

Successful results received from first pass exploration program with Pure making promising discovery of prospective zones with elevated Lithium, Niobium, Tantalum concentrations at Laforge Lithium Project in Quebec, Canada.

Pure's management is highly excited by the identification of three promising zones of granitic-pegmatitic lithologies and note this is the first ever identification of lithium at the Laforge Lithium Project.

The successful results were derived from the Company's opportunistic 2022 winter rock sampling program at Laforge Lithium Project, which only covered approximately 5% of the ~261km Project and was only able to test outcropping wind-swept areas.

Pure Resources Limited ("Pure" or "Company") is pleased to provide the following report on its activities during the quarter ending 31 March 2023. The Company's primary activities during the reporting period were the identification of Multiple Outcropping Pegmatites at the LaForge Lithium Project ("LaForge"), Quebec, Canada.

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

"With a quarter filled with exciting advancements, we were thrilled to announce the results of the 2022 winter rock sampling and prospecting program on the Company's LaForge Lithium Project in Quebec, Canada, that cover an area of over 260 km² in close proximity to Patriot Battery Metals Inc.'s Corvette discovery. We are confident in the prospectivity of this Project and look forward to continuing our exploration efforts.

"The Company intends to continue the exploration work in the latter part of the 2023 calendar year.

"Along with the exploration of LaForge in Quebec, Canada, Pure continues to advance exploration programs on Yundamindra, Killarney, 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 March 2023, the Company announced the results of a 2-week helicopter assisted mapping and sampling program (refer ASX Announcement 17 March 2023) to investigate the potential of LaForge with the aim to identify outcropping pegmatites which will be targeted in follow-up exploration programs. LaForge covers an

area of more than 260 km², which is 65 km northeast of Patriot Battery Metals Inc. (ASX: PMT) Corvette discovery (Figure 1).

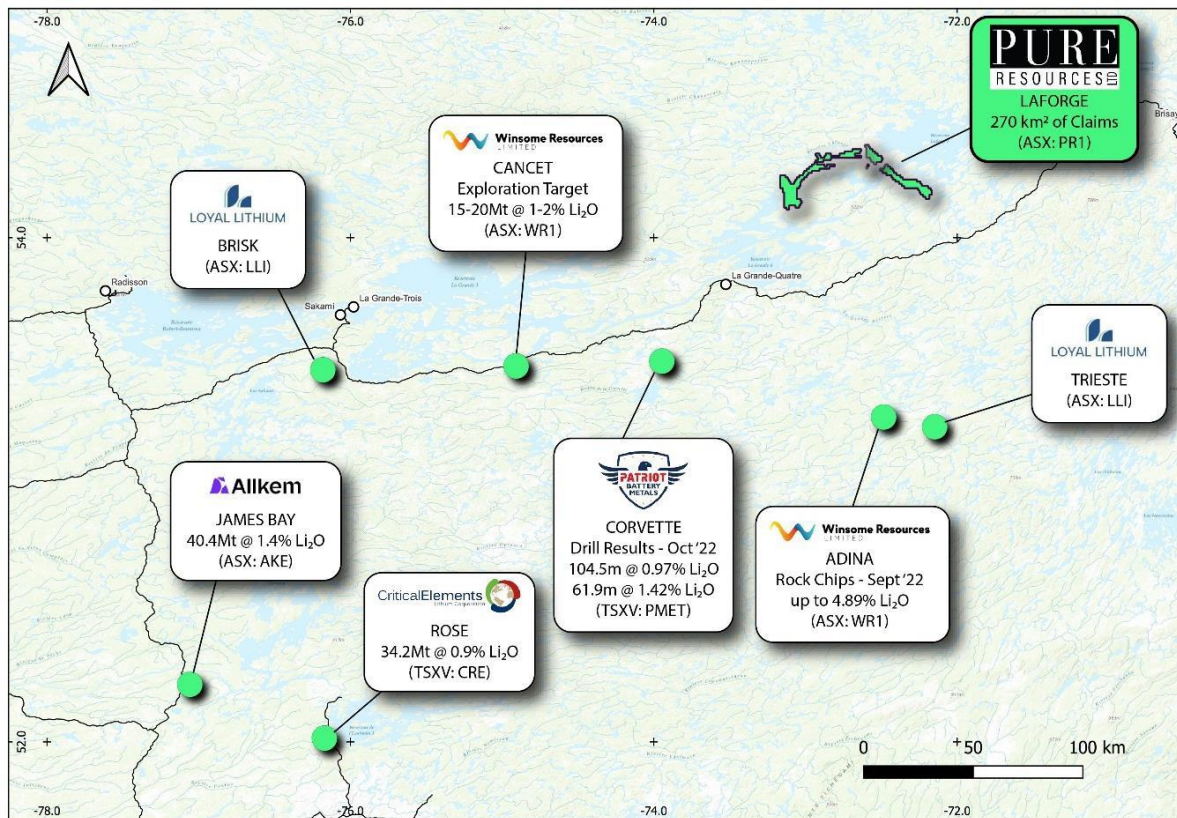


Figure 1: Lithium companies in the James Bay region, Quebec, Canada

The 2022 winter rock sampling and prospecting program was successful at defining three zones of granitic-pegmatitic lithologies which possess the following key characteristics:

1. Coarse mineral grain size with visible pegmatitic textures (graphic mineral intergrowths, exsolution laminae in feldspars)
2. Encouraging presence of other phases indicative of a fertile melt (biotite, muscovite, possible tourmaline)
3. Elevated concentrations of pathfinder elements associated with the presence of LCT pegmatites (Li, Ta, Nb, Cs, Rb) (Refer Table 1 and Selway (2005)).

Key geochemical results are summarized in Table 1 and Figures 2-5 below. The rock sampling program defined three prospective zones outlined as coloured squares in Figures 2-5. These zones contained outcrops of granitic-pegmatitic lithologies with elevated lithium as well key LCT pegmatite pathfinder elements such as tantalum and niobium. Pegmatitic samples from these zones will undergo mineralogical test work to identify potential Li-bearing minerals or phases associated with Li-rich intrusions (e.g. spodumene and lepidolite). Biotite and muscovite were commonly observed, and three samples contained small crystals of a fluorescent red mineral (possibly spodumene).

Multiple samples from Zone 2 contained anomalous concentrations of Li, Ta, Nb, and Cs and this area represents the most prospective zone for future exploration. Zones 1 and 3 also showed anomalous pathfinder element concentrations and outcrops of granitic-pegmatitic rocks forming topographic highs. These areas represent additional candidates for future exploration. Other lithologies observed on the Property included variably

metamorphosed gneisses, metasediments, and mafic-intermediate intrusions. Geochemical results from these units returned no relevant element anomalies.

Given the geochemical anomalies present in granitic-pegmatitic units on the Property, a follow-up prospecting program could further constrain areas of high prospectivity. Such a program will be undertaken in the summer-fall months to avoid complications from snow cover. The following steps will be undertaken to constrain the location of potential LCT pegmatites on the Project:

1. An expanded surface geochemical sampling program (soil, rock, and potentially stream sediments) focusing on areas adjacent to the prospective zones identified in this report. Soil sampling may be especially valuable in areas of the Project with poor rock exposure.
2. An airborne radiometric survey of the Project to identify granitic-pegmatitic units.
3. Ground magnetic surveys to establish a structural framework of prospective zones.
4. Conduct mineralogy to determine the content of the Spodumene in lithium samples.

Table 1: Selected assay results from 2022 winter rock sampling. Bolded values indicate concentrations that exceed the 3x continental crust criteria of Selway (2005)

<u>Sample ID</u>	<u>Lithology</u>	<u>Sample Type</u>	<u>Li (ppm)</u>	<u>Nb (ppm)</u>	<u>Ta (ppm)</u>
F0038010	Granite	Outcrop	8.1	67.2	7.06
F0038096	Granite	Outcrop	15.7	67.7	7.2
F0038144	Leucogranite	Outcrop	14.4	76.7	8.25
F0038156	Granite	Outcrop	79.6	14.6	2.39
F0038157	Phyllite	Outcrop	100.5	9.1	0.76
F0038158	Phyllite	Outcrop	190	12.1	0.76
F0038162	Granite	Outcrop	2.3	66.1	7.98
F0038163	Granite	Outcrop	9.8	58.8	6.88
F0038210	Gneiss	Subcrop	78.7	7.1	0.56
F0038217	Pegmatite	Outcrop	10.2	98.1	12
F0038218	Migmatite	Outcrop	171	20.5	3.64
F0038221	Pegmatite	Outcrop	38.8	56.6	8.71
F0038222	Pegmatite	Outcrop	28.1	56	9.07
F0038251	Migmatite	Subcrop	84.6	4.9	0.42
F0038257	Migmatite	Subcrop	50.9	29.3	7.86
F0038266	Pegmatite	Outcrop	17.1	61.3	6.9

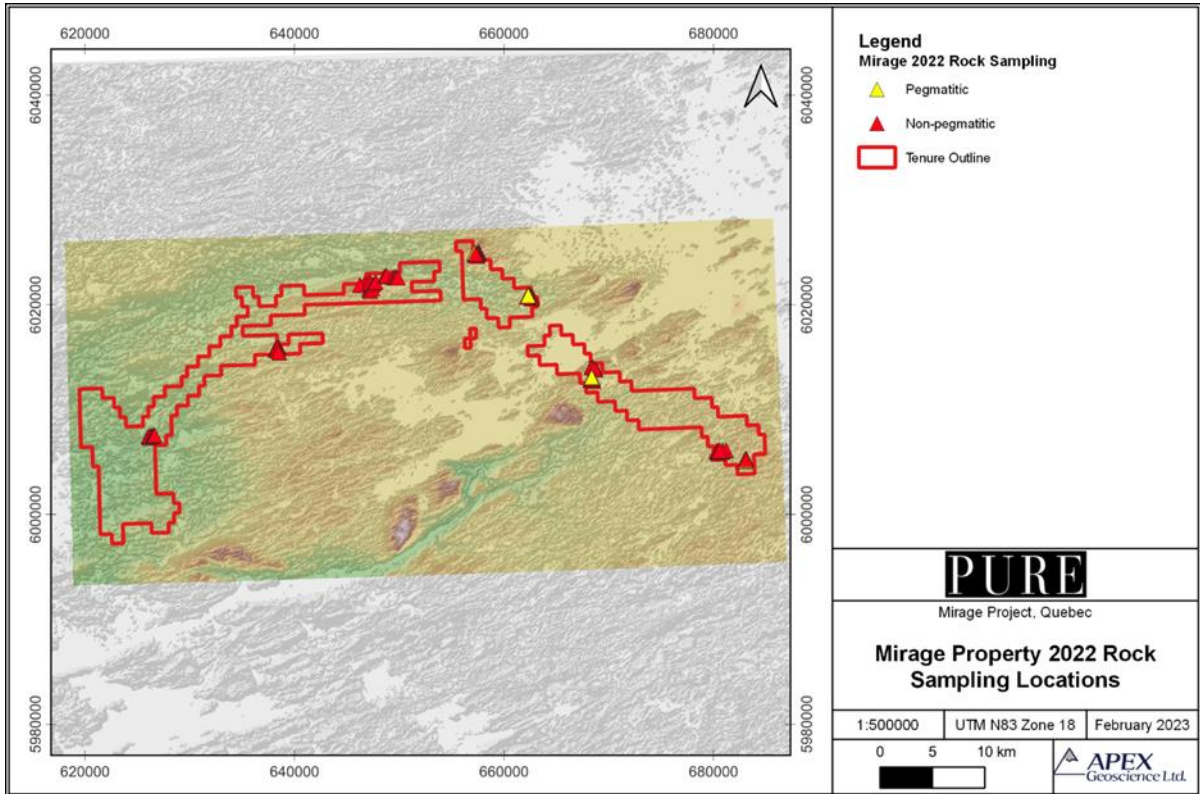


Figure 2: 2022 Winter Rock Sampling Locations

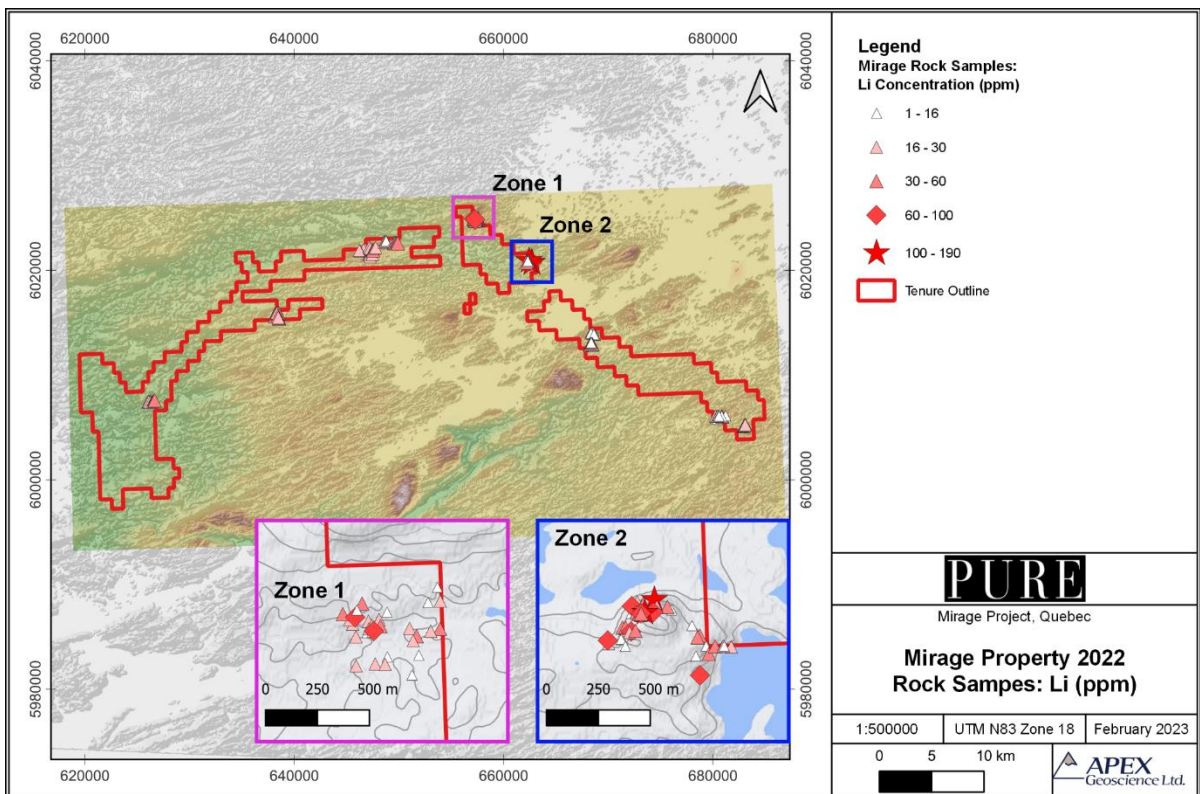


Figure 3: 2022 Winter Rock Sampling Geochemistry Results (Li ppm)

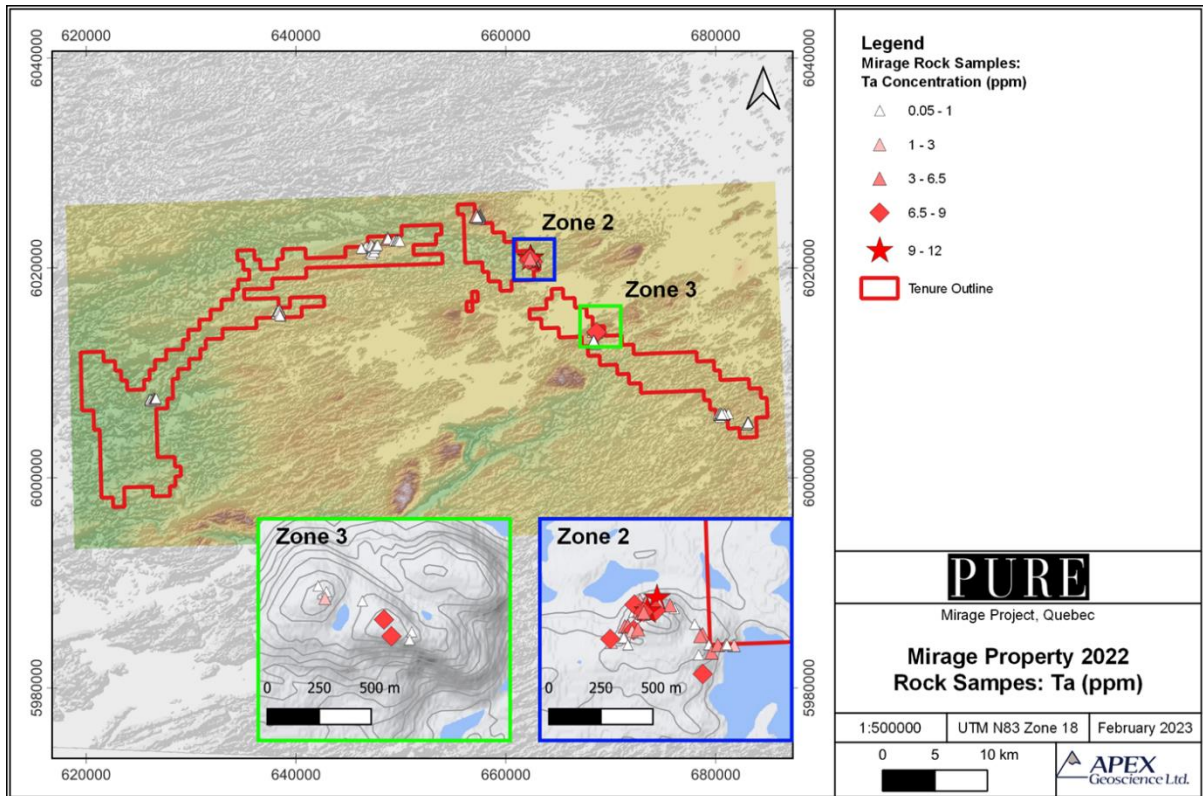


Figure 4: 2022 Winter Rock Sampling Geochemistry Results (Ta ppm)

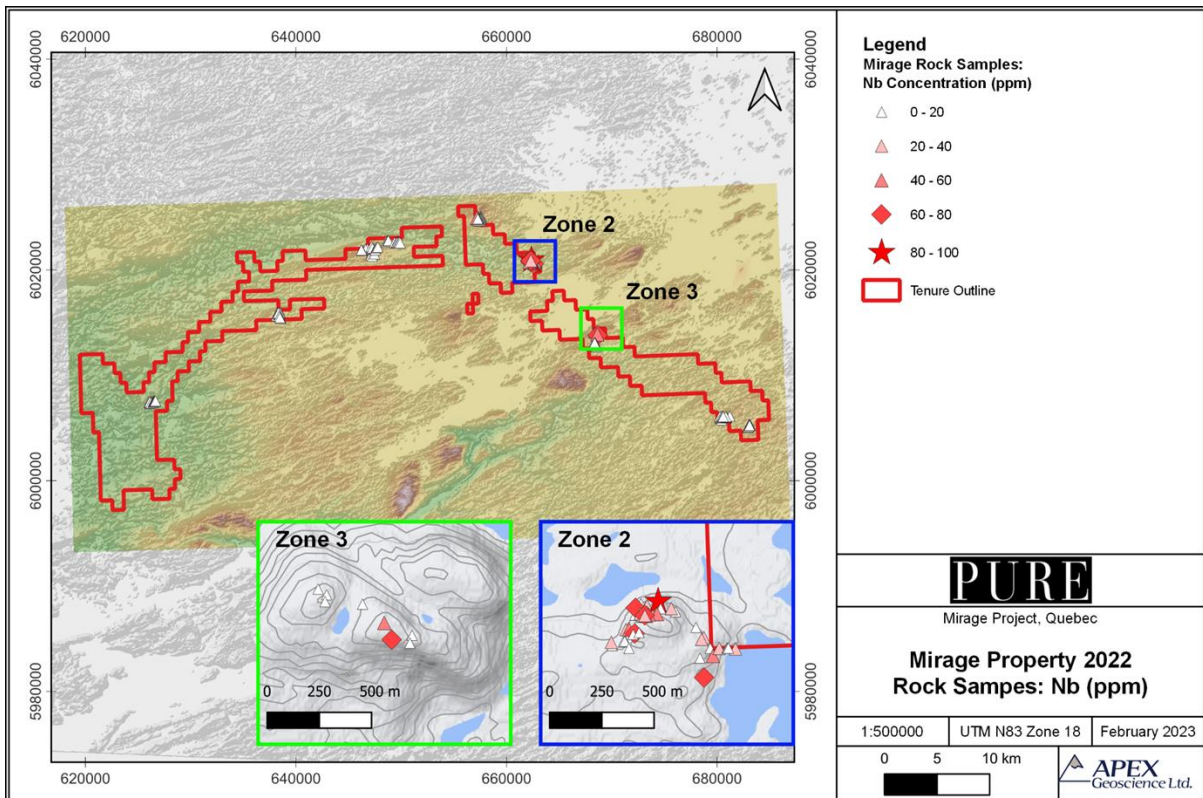


Figure 5: 2022 Winter Rock Sampling Geochemistry Results (Nb; ppm)

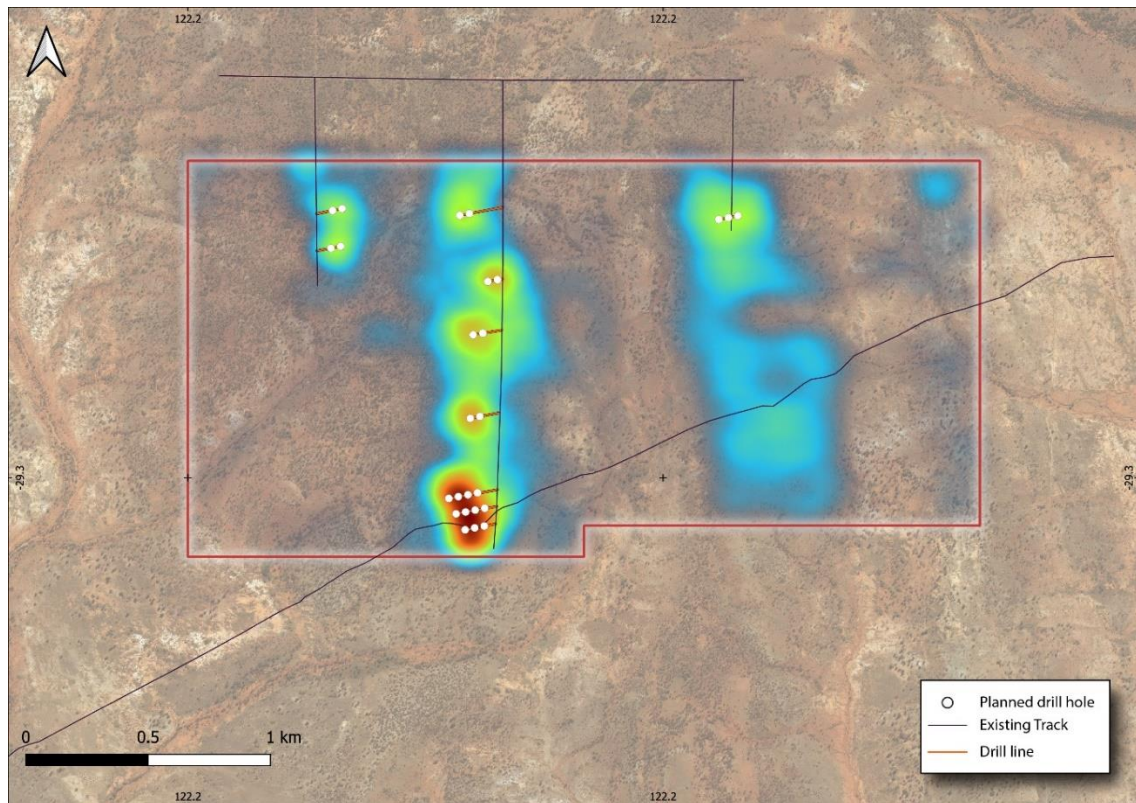


Figure 7: Planned RC drilling at the Yundamindra Project.

Corporate Activity

During the quarter, the Company varied the incentive package of its Canadian based North American Lithium adviser, Mr Victor Cantore (refer to ASX Announcement 13 February 2023).

Mr Cantore's incentive and remuneration package included 1,350,000 Performance Rights, which 900,000 converted to fully paid ordinary shares ("**Shares**") upon reaching certain volume weighted average prices ("**VWAP**") over 3 consecutive trading days. The number of consecutive trading days required to reach each milestone have been amended upwards from 3 consecutive days to 15 consecutive days. All other terms of Mr Cantore's incentive and remuneration package remain the same and are detailed in the ASX Announcement released on 13 February 2023.

Mr Cantore's role is 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% LiO₂.

Cash

The Company's consolidated cash at hand was \$2,941,363 as of 31 March 2023 with no debt. The majority of the expenditure was on Exploration and Evaluation (\$115,074), staff

costs (\$28,856) and Admin and Corporate costs (\$63,050). This information is presented in the Quarterly Cashflow Report ("Appendix 5B").

March Quarter ASX Releases

During the quarter, the below project related announcements were made.

Date	Announcement
17/03/2023	LITHIUM & PATHFINDER ELEMENT SAMPLES IDENTIFIED - REVISED
15/03/2023	LITHIUM & PATHFINDER ELEMENT SAMPLES IDENTIFIED - LAFORGE
9/03/2023	Maiden LaForge Lithium Exploration Program Commences -Quebec
1/03/2023	Exploration Update
19/01/2023	Laforge Belt Scale Lithium Project (Quebec) Granted
5/01/2023	Multiple Outcropping Pegmatites Identified - Quebec

Key Activities Planned for the June 2023 Quarter

During the June 2023 quarter, the Company plans to:

- Receive outstanding assay results from the Yandal and Mt Monger and plan further exploration based on results.
- Continue discussion with Native Title parties to complete on-ground exploration at the Killarney Project.
- Initiate further field work at the LaForge through ongoing engagement with Apex Geoscience.

ASX Additional Information

1. **ASX Listing Rule 5.3.1** – Mining exploration activities and investment activity expenditure during the quarter was \$115,074. 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 March 2023.
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	862,923	Timing
New Project Evaluation	400,000	124,382	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	197,994	Timing
Working Capital	1,009,880	401,675	Timing
Total	4,943,851	2,188,115	

5. **ASX Listing Rule 5.3.5** – Payments to related parties of the Company during the quarter and outlined in Appendix 5B include \$51,801 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

About Pure Resources

Pure's vision is to become an eminent battery metal focussed company on the ASX, either through its existing portfolio of nickel and copper assets, generation of new projects, or acquisitions of existing projects presented to the Company with a strong determination to add Lithium, Rare Earths or Graphite to the company's portfolio.

Competent Persons Statement

The information in this report which relates to Exploration Results is based on information compiled by Dr. James Warren, a Competent Person who is a member of the Australian Institute of Geoscientists. Dr. Warren is a Non-Executive Director of Pure Resources Limited. Dr. Warren has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr. Warren consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

References

Selway, Julie, 2005/01/01 A Review of Rare-Element (Li-Cs-Ta) Pegmatite Exploration Techniques for the Superior Province, Canada, and Large Worldwide Tantalum Deposits, VL - 14, Exploration and Mining Geology, DO - 10.2113/gsemg.14.1-4.1

2705807	Quebec, Canada	Granted	LaForge Lithium Project	0.503	PR1 (Canada) Ltd	100%
2705808	Quebec, Canada	Granted	LaForge Lithium Project	0.4324	PR1 (Canada) Ltd	100%
2705809	Quebec, Canada	Granted	LaForge Lithium Project	0.3041	PR1 (Canada) Ltd	100%
2705810	Quebec, Canada	Granted	LaForge Lithium Project	0.1742	PR1 (Canada) Ltd	100%
2705811	Quebec, Canada	Granted	LaForge Lithium Project	0.2716	PR1 (Canada) Ltd	100%
2705812	Quebec, Canada	Granted	LaForge Lithium Project	0.1868	PR1 (Canada) Ltd	100%
2705813	Quebec, Canada	Granted	LaForge Lithium Project	0.463	PR1 (Canada) Ltd	100%
2705814	Quebec, Canada	Granted	LaForge Lithium Project	0.4741	PR1 (Canada) Ltd	100%
2705815	Quebec, Canada	Granted	LaForge Lithium Project	0.4823	PR1 (Canada) Ltd	100%
2705816	Quebec, Canada	Granted	LaForge Lithium Project	0.4247	PR1 (Canada) Ltd	100%
2705817	Quebec, Canada	Granted	LaForge Lithium Project	0.4775	PR1 (Canada) Ltd	100%
2705818	Quebec, Canada	Granted	LaForge Lithium Project	0.5027	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 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(115)	(836)
(b) development	-	-
(c) production	-	-
(d) staff costs	(29)	(95)
(e) administration and corporate costs	(64)	(230)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	19
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	(200)	(1,142)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(1)	(125)
(c) property, plant and equipment	-	(14)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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 (9 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	(1)	(139)
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	(2)	(2)
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	(2)	8
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,144	4,214
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(200)	(1,142)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(139)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	8

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,941	2,941

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	2,941	3,144
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)	2,941	3,144

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	(52)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(200)
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)	(200)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,941
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,941
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	14.70
<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

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

Date:28/04/2023.....

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

Notes

- 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.
- 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.