

22 April 2024

NOTICE OF 2024 AGM AND PROXY FORM

Patagonia Lithium Ltd (ASX:PL3, Patagonia or Company) refers to the notice of meeting and accompanying explanatory memorandum released to ASX on 22 April 2024 (together, the **Notice of Meeting**) in respect of the annual general meeting of the Company's shareholders (**Shareholders**) to be held on 24 May 2024 at 12:00pm (AEST).

In reliance on section 253RA of the *Corporations Act 2001* (Cth), the Company will not be posting hard copies of the Notice of Meeting to Shareholders unless the Shareholder has given the Company notice in writing electing to receive documents in hard copy only. The Notice of Meeting can be viewed or downloaded from the Company's website or on the ASX announcements page at <https://patagonialithium.com.au/index.php/asx-announcements/> or at www.asx.com.au.

This announcement has been authorised for release to the ASX by the Board of the Company.

For further information please contact:

Phillip Thomas

Executive Chairman

Patagonia Lithium Ltd

M: +61 433 747 380

E: phil@patagonialithium.com.au

Our socials – [twitter@pataLithium](#), [Instagram](#), [facebook](#), [pinterest](#) and [youtube](#)

Capital structure

58.6m - PL3 shares

5.5m - unquoted options

14.6m - PL3O quoted options

Patagonia Lithium Ltd
Level 6, 505 Little Collins Street
Melbourne VIC 3000
<https://patagonialithium.com.au/>

Board

Phil Thomas - Exec Chair

Rick Athon - NED

Sam Qi - NED

Jarek Kopias - Co Sec



PATAGONIA LITHIUM

Patagonia Lithium Ltd

ACN 654 004 403

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES

PROXY FORM

Date of Meeting

Friday 24 May 2024

Time of Meeting

12:00pm (AEST) (Melbourne time)

Place of Meeting

Offices of Moray & Agnew Lawyers
Level 6, 505 Little Collins Street
Melbourne Victoria

NOTICE OF 2024 ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Patagonia Lithium Ltd ("Company or Patagonia") will be held at the offices of Moray & Agnew, Level 6, 505 Little Collins Street, Melbourne Victoria on Friday 24 May 2024 at 12:00pm AEST.

The business to be considered at the Annual General Meeting is set out below.

This Notice of Meeting should be read in its entirety in conjunction with the accompanying Explanatory Notes, which form part of this Notice of Meeting and contain information in relation to the following Resolutions. If you are in any doubt as to how you should vote on the Resolutions set out in this Notice of Meeting, you should consult your financial or other professional adviser.

Defined terms used in this Notice of Meeting have the meanings given to those terms in the Glossary at the end of the Explanatory Notes.

GENERAL BUSINESS

2023 Financial Statements

To receive, consider and discuss the Company's annual financial report including the Directors' Declaration for the year ended 31 December 2023 and the accompanying Directors' Report, Remuneration Report and Auditor's Report.

ORDINARY BUSINESS

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass with or without amendment, the following Resolution as a non-binding Resolution:

"That the Remuneration Report that forms part of the annual financial report of the Company for the year ended 31 December 2023 be adopted for the purpose of section 250R(2) of the Corporations Act."

Note: Section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Mr Phillip Thomas as a Director of the Company

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

"That Mr Phillip Thomas, a Director retiring by rotation in accordance with Article 108 of the Constitution of the Company, being eligible, and having offered himself for re-election, be re-elected as a Director of the Company."

Resolution 3 – Re-election of Mr Feiyu Qi as a Director of the Company

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

"That Mr Feiyu Qi, a Director having been appointed by the Board and retiring in accordance with Article 103 of the Constitution of the Company, being eligible, and having offered himself for re-election, be re-elected as a Director of the Company."

Resolution 4 – Re-election of Mr Richard Anthon as a Director of the Company

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

"That Mr Richard Anthon, a Director having been appointed by the Board and retiring in accordance with Article 103 of the Constitution of the Company, being eligible, and having offered himself for re-election, be re-elected as a Director of the Company."

SPECIAL BUSINESS

Resolution 5 – Adoption of Performance Share Plan

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

“That for the purpose of ASX Listing Rule 7.2, exception 13(b) and for all other purposes, approval is given for the Company to adopt the Performance Share Plan and for the issue of up to 10,000,000 Performance Rights under the Performance Share Plan, on the terms and conditions set out in the Explanatory Notes.”

Resolution 6 – Adoption of Share Option Plan

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

“That for the purpose of ASX Listing Rule 7.2, exception 13(b) and for all other purposes, approval is given for the Company to adopt the Share Option Plan and for the issue of up to 10,000,000 Options under the Share Option Plan, on the terms and conditions set out in the Explanatory Notes.”

Resolution 7 – Issue Director Options to Mr Richard Anthon

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the issue of 1,000,000 Director Options to Mr Richard Anthon (or his nominee) pursuant to the Company's Share Option Plan on the terms and conditions set out in the Notice of Meeting and Explanatory Notes.”

Resolution 8 – Approval of 10% Additional Placement Capacity

To consider and, if thought fit, pass the following Resolution as a Special Resolution:

“That, for the purpose of ASX Listing Rule 7.1A, approval is given for the Company to have the additional capacity to issue Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Notes.”

VOTING INFORMATION, EXCLUSIONS AND PROHIBITIONS

The business of the Meeting affects your Shareholding and your vote is important.

Voting prohibition statement in relation to Resolution 1

A vote on this Resolution must not be cast (in any capacity) in favour of the Resolution by or on behalf of either of the following persons:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b) a Closely Related Party of such a member.

However, such person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- b) the voter is the Chair of the Meeting and the appointment of the Chair of the Meeting as proxy:
 - i) does not specify the way the proxy is to vote on this Resolution; and
 - ii) expressly authorises the Chair of the Meeting to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting exclusions and voting restriction in relation to Resolutions 5 and 6

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of these Resolutions by or on behalf of Mr Phillip Thomas, Mr Feiyu Qi and Mr Richard Anthon, and any other person who is eligible to participate in the Performance Share Plan and Share Option Plan, and any of their respective Associates.

However, this does not apply to a vote cast in favour of these Resolutions by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with directions given to the proxy or attorney to vote on the Resolutions in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with a direction given to the Chair of the Meeting to vote on the Resolutions as the Chair of the Meeting decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolutions; and
 - o the holder votes on the Resolutions in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, in accordance with the Corporations Act, a vote must not be cast on these Resolutions (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel, and any Closely Related Party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on these Resolutions. However, the member of the Key Management Personnel or any Closely Related Party of such a member may vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on these Resolutions or by a person who is the Chair of the Meeting at which these Resolutions is voted on and the appointment expressly authorises the Chair of the Meeting to exercise the proxy even if these Resolutions are connected directly or indirectly with the remuneration of a Key Management Personnel.

Voting exclusions and voting restriction in relation to Resolution 7

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this Resolution by Mr Richard Anthon and any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the SOP and any of their respective Associates.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair of the Meeting to vote on the Resolution as the Chair of the Meeting decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - o the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, in accordance with the Corporations Act, a vote must not be cast on this Resolution (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel, and any Closely Related Party of such a member, acting as proxy if their appointment does not specify the way the proxy is to vote on this Resolution. However, the member of the Key Management Personnel or any Closely Related Party of such a member may vote if it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on this Resolution or by a person who is the Chair of the Meeting at which this Resolution is voted on and the appointment expressly authorises the Chair of the Meeting to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a Key Management Personnel.

Voting exclusions in relation to Resolution 8

As the Company has not currently identified allottees of Securities pursuant to Resolution 8, a voting exclusion statement is not required.

Important information concerning proxy votes on Resolutions 1, 5, 6 and 7

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their closely related parties to vote on the Resolutions connected directly or indirectly with the remuneration of the Key Management Personnel.

Additionally, the Company will disregard any votes cast on Resolutions 1, 5, 6 and 7 by any person appointed as a proxy by any person who is either a member of the Key Management Personnel or a Closely Related Party of such a member, unless:

- a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- b) it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy as to how to vote on all Resolutions. In particular, Shareholders who intend to appoint the Chair of the Meeting as their proxy (including an appointment by default) are encouraged to direct the Chair of the Meeting as to how to vote on all Resolutions.

If the Chair of the Meeting is appointed, or taken to be appointed, as your proxy, you can direct the Chair of the Meeting to vote for, against or abstain from voting on Resolutions 1, 5, 6 and 7 by marking the box opposite the Resolution on the Proxy Form. You should direct the Chair of the Meeting how to vote on these Resolutions.

However, if the Chair of the Meeting is your proxy and you do not direct the Chair of the Meeting how to vote in respect of Resolutions 1, 5, 6 and 7 on the Proxy Form, you will be deemed to have directed and expressly authorised the Chair of the Meeting to vote your proxy in favour of these Resolutions. This express authorisation acknowledges that the Chair of the Meeting may vote your proxy even if:

- a) Resolutions 1, 5, 6 and 7 are connected directly or indirectly with the remuneration of a member or members of the Key Management Personnel of the Company; and
- b) the Chair of the Meeting has an interest in the outcome of Resolutions 1, 5, 6 and 7 and, that votes cast by the Chair of the Meeting for these Resolutions, other than as authorised proxy holder, will be disregarded because of that interest.

Voting, Attendance Entitlement and proxy

A Member who is entitled to attend and cast a vote at the Meeting and who wishes to vote on the Resolutions contained in this Notice should either attend in person at the time, date and place of the Meeting set out above or appoint a proxy or proxies to attend or vote on the Member's behalf.

A Member who is entitled to attend and cast a vote at the Meeting and who wishes to vote on the Resolutions contained in this Notice should appoint the Chairman of the Meeting as their proxy to attend and vote on the Member's behalf. The Company encourages shareholders to **appoint the Chairman of the Meeting as their proxy**.

Shareholders are encouraged to lodge their Proxy Forms online at <https://investor.automic.com.au/#/loginsah>.

In completing the attached Proxy Form, Members must be aware that where the Chair of the Meeting is appointed as their proxy, they will be directing the Chair of the Meeting to vote in accordance with the Chair of the Meeting's voting intention unless you indicate otherwise by marking the "For", "Against" or "Abstain" boxes. The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. Members should note that they are entitled to appoint the Chair of the Meeting as a proxy with a direction to cast the votes contrary to the Chair of the Meeting's voting intention, or to abstain from voting, on any Resolution in the Proxy Form. Also, Members may appoint, as their proxy, a person other than the Chair of the Meeting.

A proxy need not be a Member of the Company. For the convenience of Members, a Proxy Form is enclosed. A Member who is entitled to attend and cast two or more votes is entitled to appoint two proxies. Where two proxies are appointed, each appointment may specify the proportion or number of voting rights each proxy may exercise. If the Member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes able to be cast by the appointing Member.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form. In order to be valid, the Proxy Form must be received by the Company at the address specified below, along with any power of attorney or certified copy of a power of attorney (if the Proxy Form is signed pursuant to a power of attorney), by no later than 48 hours before the Meeting (i.e., by no later than 12:00pm AEST on 22 May 2024):

On-line: <https://investor.automic.com.au/#/loginsah>.

By mail: Automic
GPO BOX 5193
SYDNEY NSW 2001

By hand: Level 5, 126 Phillip Street
SYDNEY NSW 2000

By e-mail: meetings@automicgroup.com.au

Any Proxy Forms received after that time will not be valid for the Meeting.

A Member who is a body corporate may appoint a representative, including an individual, to attend the Meeting in accordance with the Corporations Act. Representatives will be required to present documentary evidence of their appointment on the day of the Meeting.

For the purpose of determining the voting entitlements at the Meeting, the Directors have determined that Shares will be taken to be held by the registered holders of those Shares at 7:00pm AEST on 22 May 2024. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board

Jarek Kopias
Company Secretary
Melbourne, 22 April 2024

ANNUAL GENERAL MEETING - EXPLANATORY NOTES

These Explanatory Notes accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting and should be read in conjunction with this Notice of Meeting.

If any Shareholder is in doubt as to how they should vote, they should seek advice from their legal, financial or other professional adviser prior to voting.

Introduction

These Explanatory Notes have been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be considered at the Annual General Meeting of the Company. The Directors recommend Shareholders read these Explanatory Notes in full before making any decision in relation to the Resolutions.

Terms defined in the Notice of Meeting have the same meaning in these Explanatory Notes.

Receiving financial statements and reports

The Corporations Act requires that Shareholders consider the annual consolidated financial statements and reports of the Directors and auditor every year.

There is no requirement either in the Corporations Act or the Constitution for Shareholders to approve the financial report, the Directors' report or the auditor's report. Shareholders will be given a reasonable opportunity at the Meeting to:

- a) ask questions about, or make comments on, the management of the Company; and
- b) ask a representative of the Company's Auditor, Hall Chadwick, questions relevant to:
 - 1) the conduct of the audit;
 - 2) the preparation and content of the Auditor's Report;
 - 3) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - 4) the independence of the Auditor in relation to the conduct of the audit.

A Member who is entitled to cast a vote at the Meeting may submit written questions to the Company's Auditor if the question is relevant to the content of the Auditor's report or the conduct of the audit of the annual financial report. A written question must be submitted by giving the question to the Company no later than 5:00pm AEST on Friday 17 May 2024, being five business days before the day on which the Meeting is to be held and, the Company will then, as soon as practicable after the question has been received, pass the question on to the Auditor.

The Chair of the Meeting will allow a reasonable opportunity at the Annual General Meeting for a representative of the Company's Auditor to answer any such written questions submitted. If the Company's Auditor has prepared written answers to written questions, the Chair of the Meeting may allow these to be tabled at the Meeting and such written answers will be available to Members as soon as practicable after the Meeting. The Company will make copies of the question list reasonably available to Members attending the Meeting.

No Resolution is required to be moved in respect of this item of general business.

GENERAL BUSINESS

Resolution 1: Adoption of Remuneration Report

The Remuneration Report for the financial year ended 31 December 2023 is set out in the Directors' Report within the 2023 Annual Financial Report, which is available on the Company's website: <https://www.patagonialithium.com.au/>. The Remuneration Report sets out the Company's remuneration arrangements for Directors, including the Managing Director, and members of the Company's Key Management Personnel.

Section 300A of the Corporations Act requires the Directors to include a Remuneration Report in their report for the financial year. Section 250R(2) of the Corporations Act requires the Remuneration Report to be put to a vote at the Company's Annual General Meeting. The vote on the Resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

The Directors believe that the Company's remuneration policies and structures are appropriate relative to the size of the Company and its business.

Board Recommendation: The Board, while noting that each Director has a personal interest in their own remuneration from the Company, recommends that Members vote in favour of Resolution 1.

Resolutions 2, 3 and 4: Re-election of Mr Phillip Thomas, Mr Feiyu Qi and Mr Richard Anthon as Directors of the Company

In accordance with Article 108.1 of the Constitution, there must be an election of Directors at each Annual General Meeting. A retiring Director is eligible for re-election.

Article 108 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors, or, if their number is not a multiple of 3, then the number nearest one-third (rounded down), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following their appointment, whichever is the longer, without submitting themselves for re-election;
- (b) the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots; and
- (c) a Director who retires by rotation under Article 108 of the Constitution is eligible for re-election.

Accordingly, Mr Phillip Thomas is required to retire as a Director of the Company and being eligible, has offered himself for re-election.

Further, Article 103 of the Constitution provides that the Board may at any time appoint a person as a Director whereupon such person shall hold office until the next forthcoming annual general meeting and shall then retire, and if eligible and willing, may seek re-election.

Accordingly, Mr Feiyu Qi and Mr Richard Anthon are required to retire as Directors of the Company and being eligible, have offered themselves for re-election.

A resume of Mr Thomas, Mr Qi and Mr Anthon follow:

Mr Philip Thomas, BSc (Geology), MBusM and Certified Mineral Valuer (Chairman, Executive Director)

Mr Thomas has extensive experience in lithium exploration, geochemistry, geophysics, process design and production. He has more than 20 years' experience working in Argentina on Pocitos, Guayatayoc, Salinas Grandes, Pozuelos, Rincon and Incahuasi salars. He is a director of Recharge Resources Ltd (CSE:RR) and past CEO and chairman of Admiralty Resources NL (ASX:ADY) where he and his team explored and developed a pilot plant at the Rincon Salar. He is Non-executive Director and Chairman of copper producer, Austral Resources Australia Ltd (ASX:AR1).

Phillip is President of Panopus Plc a Singapore based resources consultancy that specialises exploration programs for lithium, and CEO of Ekosolve Limited an unlisted public company that has a Direct lithium Extraction technology to extract lithium from brines. He is a Competent Person for JORC reporting having more than 5 years' experience in lithium brine style of mineralisation.

Phillip graduated from Australian National University majoring in Geology and received his Master's Degree in Business from Monash University. He is a Fellow of the AusIMM, a Member of the Australian Institute of Geoscientists and Director and Member of Australasian Institute of Mineral Valuers and Appraisers and is a Certified Mineral Valuer.

The Board considers Mr Thomas not to be an independent Director as defined under the ASX Corporate Governance Principles and Recommendations.

Mr Thomas has been a Director of the Company since 27 April 2022.

Mr Feiyu Qi, (Non-executive Director)

Mr Qi graduated from Shanghai University with a major in project management. Sam has over 20 years' experience in providing professional services and is CEO of Fuyang Mingin New Energy Development Co., Ltd. Sam is a non-executive director of Ocatva Minerals Limited (ASX: OCT).

The Board considers Mr Qi to be an independent Director as defined under the ASX Corporate Governance Principles and Recommendations.

Mr Qi has been a Director of the Company since 7 August 2023.

Mr Richard Anthon, (Non-executive Director)

Mr Anthon has over 35 years' experience in the resource sector in both corporate and commercial law. He has extensive experience as a corporate and commercial lawyer specialising in the resource sector, including project acquisition and development, capital raising and corporate governance, and was director of Corporate Development for ASX Listed Allkem Limited for over 8 years prior to its merging into NYSE listed Arcadium Lithium.

Richard is Chairman of Greenwing Resources Ltd (ASX:GW1), Armada Metals Limited (ASX: AMM) and a non-executive director of Savannah Goldfields Ltd (ASX:SVG).

The Board considers Mr Anthon to be an independent Director as defined under the ASX Corporate Governance Principles and Recommendations.

Mr Anthon has been a Director of the Company since 19 February 2024.

Board Recommendation: The Directors (other than in relation to their own re-election are not entitled to make, and does not make, a recommendation in relation to the relevant Resolution) recommend that Shareholders vote in favour of Resolutions 2, 3 and 4.

The Chair of the Meeting intends to vote all undirected proxies in favour of the re-election of all Directors.

Resolution 5: Adoption of Performance Share Plan

Background

The Company has established a plan called the Performance Share Plan ("PSP") as part of its overall remuneration strategy. The PSP provides for the issue of Performance Rights to contractors, employees, directors and executives of the Company and its associated bodies corporate who have been invited by the board to participate in the PSP. The Performance Rights result in the issue of Shares. A copy of the PSP rules is available on the Company's website <https://patagonialithium.com.au/index.php/corporate-governance/>.

The PSP is designed to provide the Company's contractors, employees, directors and executives with an incentive to maximise the return to Shareholders over the long term and to assist in the attraction and retention of key contractors, employees, directors and executives.

Reason for approval

Under ASX Listing Rule 7.1, the Company may not, without Members' approval, issue Equity Securities of more than 15% of its total issued securities within a 12-month period.

However, under ASX Listing Rule 7.2 exception 13(b), an issue of Equity Securities by the Company under an employee incentive scheme will not be included in the calculation of the 15% if, among other things, within 3 years before the date of issue, holders of Shares have approved the issue of Equity Securities under the scheme as an exception to ASX Listing Rule 7.1. As a result, the Company seeks approval under ASX Listing Rule 7.2 exception 13(b) so that issue of Performance Rights under the PSP (and issues of the Shares issued on exercise of the Performance Rights) will not be included in the calculation of the 15% for the purposes of Listing Rule 7.1.

Directors, senior executives, employees and contractors of the Company and its associated bodies corporate are eligible under the PSP and any Performance Rights granted under the PSP will be at the discretion of the Directors.

A summary of the terms of the PSP is included as Appendix 1 to this Notice.

The maximum number of Equity Securities proposed to be issued under the PSP in reliance on ASX Listing Rule 7.2 exception 13(b) over the 3 year period following this Meeting is 10,000,000 Performance Rights. Approval of this Resolution does not necessitate the issue of the proposed Performance Rights. The Board will determine the number of Performance Rights that will be issued in its sole and absolute discretion and this may be more or less than the Performance Rights under this Resolution. If the Board determines that more than 10,000,000 Performance Rights will be issued in the upcoming 3 year period, then the Company will be required to issue those Performance Rights under its 15% placement capacity under Listing Rule 7.1 or seek a fresh approval under ASX Listing Rule 7.2 exception 13(b).

Any Performance Rights issued to Directors under the PSP, will require separate Shareholder approval under the ASX Listing Rules. The PSP has been approved by the Board in August 2023. There have been no Equity Securities issued under the PSP since it was adopted by the Company.

If Resolution 5 is approved, then the Company will be able to issue Performance Rights pursuant to the PSP and the issues will be excluded in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue.

If Resolution 5 is not passed, the Company will either be precluded from issuing the securities or the relevant issues will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue.

Board Recommendation: As the Directors have an interest in the outcome of Resolution 5, the Directors make no voting recommendation to Shareholders as to how to vote in relation to Resolution 5.

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 5.

Resolution 6: Adoption of Share Option Plan

Background

The Company has established a plan called the Share Option Plan ("SOP") as part of the overall remuneration strategy of the Company. The SOP provides for the grant of employee options to subscribe for Shares to contractors, employees, directors and executives of the Company and its associated bodies corporate who are invited by the board to participate in the SOP. A copy of the SOP rules is available on the Company's website <https://patagonialithium.com.au/index.php/corporate-governance/>.

The SOP is designed to provide the Company's contractors, employees, directors and executives with an incentive to maximise the return to Members over the long term and to assist in the attraction and retention of key contractors, employees, directors and executives.

Reason for approval

Under ASX Listing Rule 7.1, the Company may not, without Members' approval, issue Equity Securities of more than 15% of its total issued securities within a 12-month period.

However, under ASX Listing Rule 7.2 exception 13(b), an issue of Equity Securities by the Company under an employee incentive scheme will not be included in the calculation of the 15% if, among other things, within 3 years before the date of issue, holders of Shares have approved the issue of Equity Securities under the scheme as an exception to ASX Listing Rule 7.1. As a result, the Company seeks approval under ASX Listing Rule 7.2 exception 13(b) so that issue of options under the SOP (and issues of the Shares issued on exercise of the options) will not be included in the calculation of the 15% for the purposes of Listing Rule 7.1.

Directors, senior executives, employees and contractors of the Company and its associated bodies corporate are eligible under the SOP and any options granted under the SOP will be at the discretion of the Directors.

A summary of the terms of the SOP is included as Appendix 2 to this Notice.

The maximum number of Equity Securities proposed to be issued under the SOP in reliance on ASX Listing Rule 7.2 exception 13(b) over the 3 year period following this Meeting is 10,000,000 options. Approval of this Resolution does not necessitate the issue of the proposed options. The Board will determine the number of options that will be issued in its sole and absolute discretion and this may be more or less than the options under this Resolution. If the Board determines that more than 10,000,000 options will be issued in the upcoming 3 year period, then the Company will be required to issue those options under its 15% placement capacity under Listing Rule 7.1 or seek a fresh approval under ASX Listing Rule 7.2 exception 13(b).

Any options issued to Directors under the SOP, will require separate Shareholder approval under the ASX Listing Rules. The SOP has been approved by the Board in August 2023. There have been no Equity Securities issued under the SOP since it was adopted by the Company.

If Resolution 6 is approved, then the Company will be able to issue options pursuant to the SOP and the issues will be excluded in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue.

If Resolution 6 is not passed, the Company will either be precluded from issuing the securities or the relevant issues will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue.

Board Recommendation: As the Directors have an interest in the outcome of Resolution 6, the Directors make no voting recommendation to Shareholders as to how to vote in relation to Resolution 6.

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 6.

Resolution 7: Issue of Director Options Rights to Mr Richard Anthon

Background

Mr Richard Anthon is a non-executive Director of the Company with responsibility for the management and oversight of the Company's operations. For the purpose of remunerating Mr Anthon based on his qualifications and experience within the resources sector and the desire to preserve cash, the Board has determined to include an incentive based component to his remuneration package. Mr Anthon has been invited by the Board of the Company to receive up to 1,000,000 Director Options if approved by Members at this Meeting.

Reason for approval – Listing Rules

ASX Listing Rule 10.14 provides that a director, or their Associate, may not acquire securities under an employee incentive scheme without the prior approval of shareholders.

Accordingly, shareholder approval is sought for the issue of a total of 1,000,000 Director Options to Mr Richard Anthon (or his nominee(s)) on the terms set out below. If approval of the issue of the Director Options is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1. The issue of Director Options to Directors will therefore not be included in the Company's 15% limit in ASX Listing Rule 7.1 and 10% Additional Placement Capacity limit in ASX Listing Rule 7.1A.

All Director Options are proposed to be issued under the Company's SOP.

If Resolution 7 is approved, then Mr Anthon (or his nominee) will receive the relevant Director Options.

If Resolutions 7 is not approved, no Director Options will be issued to Mr Anthon (or his nominee) pursuant to the SOP unless separate Shareholder approval is obtained.

Reason for approval – Corporations Act

The Corporations Act restricts the Company from giving certain "benefits" to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on ceasing their employment with the Company (**Termination Benefits**), in the absence of prior shareholder approval unless an exemption applies.

The term "benefit" is defined broadly in the Corporations Act and includes benefits arising from the Board exercising its discretion under the rules of the SOP.

Accordingly, Resolution 7 also seeks Shareholder approval for the purpose of the Company providing these Termination Benefits to Mr Richard Anthon in accordance with the terms of the SOP.

This approval is being sought in respect of the current participation in the SOP, and the Termination Benefits that may arise if and when Mr Richard Anthon ceases to be engaged by the Company.

Other than as expressly set out in, and subject to the passing of, Resolution 7, no Director will participate in the SOP unless separate Shareholder approval is first obtained.

For the purposes of section 200E of the Corporations Act, the Company advises that various matters will or are likely to affect the value of the Termination Benefits that the Board may give under the SOP and, therefore the value of the Termination Benefits cannot be determined in advance.

The value of a particular benefit resulting from the exercise of the Board's discretion under the SOP will depend on factors such as the Company's share price at the time of the exercise of this discretion and the number of Director Options that the Board decides to waive the exercise conditions.

Issue of Director Options to Directors

Upon approval at this Meeting, the Company intends to issue 1,000,000 Director Options to Mr Richard Anthon within 5 business days of the Meeting. The Director Options will be issued as vested. The Company will not issue the Director Options later than 12 months after the Meeting.

The maximum number of Shares that would be issued to Mr Anthon is 1,000,000 upon exercise of the Director Options. The Shares to be issued upon exercise of Director Options will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares at the date of issue.

The Company advises that there are no loans provided to Mr Anthon (or his nominee) in relation to the issue of the Director Options.

Further key terms of the SOP are included in Appendix 2 to this Notice.

Issue Price and Exercise Price

There is no issue price and consequently there are no funds raised upon issue of the Director Options as they are issued for nil consideration. Each Director Option issued to Mr Anthon (or his nominee) will have an exercise price of \$0.27 and expiry of 10 October 2025.

Director total current remuneration

The annual Director remuneration for Mr Anthon comprises \$60,000 cash salary component plus statutory superannuation – R Anthon was appointed as a Director of the Company on 20 February 2024.

Mr Anthon does not hold any Equity Securities in the Company at the date of the Notice.

If all of the Director Options granted to R Anthon are exercised, then a total of 1,000,000 new Shares would be issued. This will increase the number of Shares on issue from 58,565,000 to 59,565,000 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by approximately 1.71%.

The market price for Shares during the term of the Director Options will affect the value of the perceived benefit given to the Directors. If, at any time, any of the Director Options are exercised, then there may be a perceived cost to the Company.

The trading history of Shares on ASX in the 12 months before the date of this Notice (to 20 March 2024) are:

TABLE 1

	Price	Date
Highest	\$0.24	31 March 2023
Lowest	\$0.09	19 December 2023
Last	\$0.13	20 March 2024

Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a financial benefit to a Related Party unless an exception applies or shareholders have in a general meeting approved the giving of that financial benefit to the Related Party.

The Directors are Directors so are Related Parties of the Company. In accordance with section 208 of the Corporations Act, to give a financial benefit to a Related Party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Director options, pursuant to Resolution 7 as the exception in section 211 of the Corporations Act applies. Shareholder approval must nonetheless be obtained pursuant to ASX Listing Rule 14.11. The Director Options which are proposed to be issued are considered by the Board to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

ASX Listing Rules Disclosure

ASX Listing Rule 10.15 requires that the following information be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 10.14:

- (a) the Director Options will be issued to nominees or Associates of Mr Richard Anthon in accordance with Listing Rule 10.14.1 (Director) or Listing Rule 10.14.2 (Associates);
- (b) the number of Director Options to be issued is up to a total of 1,000,000;
- (c) there have been no Director Options previously issued to Mr Richard Anthon under the SOP;
- (d) the full terms of the Director Options are described in detail in Appendix 3 and key terms of the SOP under which they are proposed to be issued are included in Appendix 2;
- (e) the Company will undertake a valuation of the Director Options using the Black Scholes valuation method if approved by Shareholders at the Meeting. If all Director Options were currently issued, then each Director Option would convert into one (1) Share in the Company and would currently be valued at \$0.13 per Share (closing Share price on 20 March 2024);
- (f) the issue of the Director Options, the subject of Resolution 7 will occur as soon as practicable after the Meeting and in any event no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (g) the Director Options will be issued for no cash consideration and \$0.27 per Director Option is payable by the Director upon the exercise and conversion of the Director Options to a Share;
- (h) no funds will be raised upon the issue of Director Options;

- (i) details of any securities issued under the SOP will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14; and
- (j) any additional persons covered by Listing Rule 10.14 who become entitled to participate in the issue of securities under the SOP after Resolution 7 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

Board Recommendation

With the exception of Mr Richard Anthon (in respect of the Director Options to be issued to himself), no other Director has a personal interest in the outcome of Resolution 7. The Directors (other than Mr Anthon) recommend that Shareholders vote in favour of Resolution 7 for the following reasons:

- the issue of Director Options to Mr Anthon (or his nominee) will better align the interests of Mr Richard Anthon with those of Shareholders;
- the issue of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would, if cash payments were given to Mr Anthon (or his nominee) under his employment arrangement; and
- it is considered that there aren't any significant opportunity costs to the Company or benefits foregone by the Company in the issue of Director Options on the terms proposed.

In forming their recommendations, each Director considered the experience of Mr Anthon (or his nominee), the skills Mr Anthon (or his nominee) bring to the Company and the current market price of Shares when determining the number of Director Options to be issued.

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 7.

Resolution 8: Approval of 10% Additional Placement Capacity

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued Share capital through placements over a 12 month period after the Annual General Meeting at which approval by special resolution of the issue is obtained (**10% Placement Facility**). This 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1 and allows the Company to issue up to 25% of its issued capital in total.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity at the date of this Notice of Meeting and must remain compliant with the requirements of Listing Rule 7.1A at the date of the Meeting to be able to utilise the additional capacity to issue Equity Securities under that Listing Rule.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

The Company is now seeking Shareholder approval by way of a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

If Resolution 8 is passed, the Directors will be able to issue Equity Securities in the Company for up to 10% of the Company's Securities on issue during the period up to 12 months after the Meeting, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

If Resolution 8 is not passed, the Directors will be unable to issue Equity Securities under the Company's 10% Additional Placement Capacity and the Company will be unable to raise funds using the Company's 10% Additional Placement Capacity.

Number of Securities

The formula for calculating the maximum amount of Securities to be issued or agreed to be issued under the 10% Placement Facility is calculated as follows:

$$(A \times D) - E$$

A is the number of fully paid ordinary Securities on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary Securities issued in the 12 months under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- plus the number of fully paid ordinary Securities issued in the 12 months on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - o the convertible securities were issued or agreed to be issued before the commencement of the 12 months; or
 - o the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of fully paid ordinary Securities issued in the 12 months under an agreement to issue Securities within Listing Rule 7.2 exception 16 where:
 - o the agreement was entered into before the commencement of the 12 months; or
 - o the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of partly paid ordinary Securities that became fully paid in the 12 months;
- plus the number of any other fully paid ordinary Securities issued in the 12 months with approval under Listing Rule 7.4 (excluding an issue of Shares under the Company's 15% placement capacity without Shareholder approval);
- less the number of fully paid ordinary Securities cancelled in the 12 months.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under this Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement and where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

The ability to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

A number of scenarios showing potential issues under Listing Rule 7.1A are detailed in **Table 2**.

As at the date of this Notice of Meeting, the Company does not have any intention to issue any Equity Securities under ASX Listing Rule 7.1A.

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Additional Placement Capacity as follows:

1. Timing

The date by which the Equity Securities may be issued is the earlier of:

- i) 12 months after the date of this Annual General Meeting;
- ii) the time and date of the Company's next annual general meeting; and
- iii) the time and date of approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

2. Minimum issue price

The issue price of Equity Securities issued under this 10% Additional Placement Capacity must be in an existing quoted class of the Company's Equity Securities and issued for a cash consideration per security which is not less than 75% of the VWAP for Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i) the date on which the price at which the Securities are to be issued is agreed by the Company and the recipient of the Securities; or
- ii) if the Securities are not issued within 10 trading days of the date in paragraph i), the date on which the Securities are issued.

3. Purposes for which Equity Securities may be issued

The Company may seek to issue the Equity Securities to use the funds raised towards an acquisition of new projects, assets or investments (including expenses associated with such acquisition), continued exploration, development or production expenditure on the Company's current assets and/or general working capital. Shares issued under the 10% Additional Placement Capacity will be for cash consideration only.

4. Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Additional Placement Capacity, there is a risk of economic and voting dilution to existing Shareholders, including the risk that:

- i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting in which the approval under rule 7.1A is given; and
- ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

Table 2 below shows:

- i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary Securities the Company has on issue. The number of ordinary Securities on issue may increase as a result of ordinary Securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future meeting of Shareholders; and
- ii) two examples where the issue price of ordinary Securities has decreased by 50% and increased by 100% as against the current market price.

TABLE 2

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.065 50% decrease in issue price	\$0.13 Issue Price	\$0.26 100% increase in issue price
Current Variable A	10% voting dilution	5,856,500 Shares	5,856,500 Shares	5,856,500 Shares
58,565,000 Shares	Funds raised	\$381,000	\$761,000	\$1,523,000
50% increase in current Variable A	10% voting dilution	8,784,750 Shares	8,784,750 Shares	8,784,750 Shares
87,847,500 Shares	Funds raised	\$571,000	\$1,142,000	\$2,284,000
100% increase in current Variable A	10% voting dilution	11,713,000 Shares	11,713,000 Shares	11,713,000 Shares
117,130,000 Shares	Funds raised	\$761,000	\$1,523,000	\$3,045,000

Table 2 has been prepared on the following assumptions:

- Variable A being 58,565,000 Shares on issue as at the date of this Notice of Meeting;
- The issue price set out above is based on a price of 13 cents, being the market price of the Company's Shares on 20 March 2024;
- The Company issues the maximum number of Equity Securities available under the 10% Additional Placement Capacity.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no options or performance rights are exercised into Shares before the date of issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- **Table 2** does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Additional Placement Capacity, pursuant to an exception set out in Listing Rule 7.2 or any other issue with the approval of shareholders.
- **Table 2** shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The funds raised have been rounded to the nearest thousand dollars.

5. Allocation policy

The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% Additional Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to, but not limited to, the following factors:

- i) The purpose of the issue;

- ii) the methods of raising funds that are available to the Company, but not limited to, rights issues or other issues in which existing security holders can participate;
- iii) the effect of the issue in the Equity Securities on control of the Company;
- iv) the financial situation and solvency of the Company;
- v) prevailing market conditions; and
- vi) advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Additional Placement Capacity have not been determined as at the date of this Notice, but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

6. Previously obtained approval under ASX Listing Rule 7.1A

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A and not issued or agreed to issue Equity Securities under ASX Listing Rule 7.1A.2 during the 12 months preceding the date of the Meeting with no disclosure required under Listing Rule 7.3A.6(b).

Board Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 8.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the approval of 10% Additional Placement Capacity.

Glossary

In the Notice of Meeting and Explanatory Notes:

10% Additional Placement Capacity means the Equity Securities issued under Listing Rule 7.1A.

AEST means Australian Eastern Standard Time (Melbourne time).

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited (ABN 98 008 624 691).

Board means the board of Directors of Patagonia.

Chair of the Meeting means the chairman of the Meeting.

Closely Related Party has the meaning given to it in the Corporations Act and the Corporations Regulations.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a director of the Company.

Director Options means up to 1,000,000 unquoted options with an exercise price of \$0.27 and expiry of 10 October 2025 proposed to be issued to Mr Richard Anthon.

Equity Securities or **Securities** has the same meaning as in the Listing Rules.

Explanatory Notes means these explanatory notes.

Key Management Personnel means a member of the key management personnel as disclosed in the Remuneration Report.

Listing Rules and **ASX Listing Rules** means the listing rules of ASX.

Meeting, AGM or Annual General Meeting means the annual general meeting of Shareholders to be held at the offices of Moray & Agnew Lawyers on Friday 24 May 2024 at 12:00pm AEST.

Member or **Shareholder** means each person registered as a holder of a Share.

Notice or **Notice of Meeting** means this Notice of Annual General Meeting.

Ordinary Resolution means a resolution passed by more than 50% of the votes cast by Shareholders entitled to vote at a general meeting of Shareholders.

Patagonia or the **Company** means Patagonia Lithium Ltd (ABN 37 654 004 403).

Proxy Form means the proxy form attached to this Notice of Meeting.

PSP means Performance Share Plan put forward for approval by Shareholders at the Meeting.

Related Party has the meaning given to that term in the Corporations Act.

Remuneration Report means the section of the Directors' report of Patagonia that is included in the Company's Annual Report.

Resolution means a resolution referred to in this Notice.

Share means a fully paid ordinary share in the capital of the Company.

Special Resolution means a resolution passed by at least 75% of the votes cast by Shareholders entitled to vote at a General Meeting of Shareholders.

Key terms of the PSP

- 1. Eligibility**
 - a. The Board may, in its absolute discretion, grant Performance Rights to an “Eligible Employee”.
 - b. An “Eligible Employee” is a Director, senior executive or full or part time employee or contractor of the Company or its associated body corporate, who is invited by the Board to participate in the PSP.
- 2. Rights attaching to Performance Rights**
 - a. A Performance Right entitles its holder to a Share which can be exercised once the Performance Right has become exercisable and provided it has not lapsed.
 - b. The Board may determine that certain performance conditions must be satisfied before the Performance Right becomes exercisable.
 - c. If the performance conditions are satisfied, the Performance Rights vest and become exercisable.
 - d. A Performance Right does not give the holder a legal or beneficial right to Shares.
 - e. Performance Rights do not carry any rights or entitlements to dividends, return of capital or voting in shareholder meetings.
 - f. A Performance Right does not entitle the holder to participate in any new issues of securities unless, before the record date for determining entitlements under the new issue, that performance right has vested, been exercised and a share has been issued in respect of that right.
- 3. Exercise of Performance Rights**
 - a. Performance Rights will vest and become exercisable if:
 - i. the performance conditions set by the Board at the time of the grant are met;
 - ii. an event occurs such as the winding up of the Company; or
 - iii. the Board determines that a Performance Right becomes a vested Performance Right.
 - b. Once the Performance Rights become exercisable, the holder will need to exercise those rights to acquire Shares.
 - c. The exercise of any vested Performance Right granted under the PSP will be effected in the form and manner determined by the Board.
 - d. Consideration, if any, for the issue of Performance Rights will be determined by the Board.
- 4. Lapse and Forfeiture**
 - a. The Performance Rights will lapse on its expiry date.
 - b. This period may be shortened if the holder ceases to be employed under certain circumstances or where performance conditions have not been met.
 - c. A Share issued on the exercise of an option will be forfeited upon the holder perpetrating fraud as against, acting dishonestly or committing a breach of its obligations to, the Company or any of its associated bodies corporate.
- 5. Restrictions**
 - a. The maximum number of Performance Rights that can be issued under the PSP is that number which equals 5% of the total number of issued Shares in existence from time-to-time subject to the Corporations Act, the ASX Listing Rules or any other statutory or regulatory requirements. Participants in the PSP are prohibited from transferring Performance Rights without the consent of the Board.
 - b. Performance Rights will not be listed for quotation on the ASX. Shares issued on exercise of vested Performance Rights will be subject to transfer restrictions as determined by the Board at the time of granting the Performance Right.
 - c. In the event of any reconstruction of the issued capital of the Company between the date of allocation of the Performance Rights and the exercise of those rights, the number of Shares to which the holder will become entitled on the exercise of the Performance Right or any amount payable on exercise of the Performance Right will be adjusted as determined by the Board and in accordance with the Listing Rules.
- 6. Administration**

To the full extent permissible by the Listing Rules and law, the Board may:

 - a. at any time waive or change a Performance Condition or any terms and conditions (in whole or in part) to which Performance Rights are subject.
 - b. vary the terms and conditions of a Performance Right;
 - c. amend or add to all or any of the Provisions of the Plan, provided that any amendment which prejudicially affects the rights of a Participant may require a Participant’s consent.

Key terms of Share Option Plan (SOP)

1. Eligibility

- a. The Board may, in its absolute discretion, grant employee share options to an “Eligible Employee”.
- b. An “Eligible Employee” is a Director, senior executive or full or part time employee or contractor of the Company or its associated body corporate, who is invited by the Board to participate in the SOP.

2. Rights attaching to options

- a. An option entitles its holder to a Share, subject to satisfaction of certain performance conditions determined by the Board and provided it has not lapsed.
- b. If the performance conditions are satisfied, the options become exercisable.
- c. An option does not give the holder a legal or beneficial right to Shares.
- d. Options do not carry any rights or entitlements to dividends, return of capital or voting in shareholder meetings.
- e. An option does not entitle the holder to participate in any new issues of securities unless, before the record date for determining entitlements under the new issue, that option has been exercised and a Share has been issued in respect of that option.

3. Exercise of options

- a. The exercise of any option granted under the SOP will be effected in the form and manner determined by the Board.
- b. Consideration, if any, for the issue of options will be determined by the Board.
- c. Options will become exercisable if:
 - i. the performance conditions set by the Board at the time of the grant are met;
 - ii. an event occurs such as the winding up of the Company; or
 - iii. the Board determines that an option becomes exercisable.
- d. Once an option becomes exercisable, the holder will need to exercise the option to acquire a Share.

4. Lapse and Forfeiture

- a. The options will lapse on its expiry date.
- b. This period may be shortened if the holder ceases to be employed under certain circumstances or where performance conditions have not been met.
- c. A Share issued on the exercise of an option will be forfeited upon the holder perpetrating fraud as against, acting dishonestly or committing a breach of its obligations to, the Company or any of its associated bodies corporate.

5. Restrictions

- a. The maximum number of employee share options that can be issued under the SOP is that number which equals 5% of the total number of issued Shares in existence from time-to-time subject to the Corporations Act, the ASX Listing Rules or any other statutory or regulatory requirements.
- b. Participants in the SOP are prohibited from transferring options without the consent of the Board.
- c. Options will not be listed for quotation on the ASX. Shares issued on exercise of options will be subject to transfer restrictions as determined by the Board at the time of granting the option.
- d. In the event of any reconstruction of the issued capital of the Company between the date of grant of the options and the exercise of those options, the number of Shares to which the holder will become entitled on the exercise of the option or any amount payable on exercise of the option will be adjusted as determined by the Board and in accordance with the Listing Rules.

6. Administration

To the full extent permissible by the Listing Rules and law, the Board may:

- a. at any time waive or change a Performance Condition or any terms and conditions (in whole or in part) to which Options are subject.
- b. vary the terms and conditions of an Option;
- c. amend or add to all or any of the Provisions of the Plan, provided that any amendment which prejudicially affects the rights of a Participant may require a Participant's consent.

Terms of Director Options

- (a) Each Option will entitle the holder (**Optionholder**) to subscribe for one fully paid ordinary share (**Share**) in Patagonia Lithium Ltd (ACN 654 004 403) (**Company** or **PL3**) (subject to possible adjustments referred to in paragraphs (j), (k) and (l) below).
- (b) Each Option is exercisable at any time before 5:00pm Australian Eastern Standard Time (AEST) on 10 October 2025 (**Expiry Date**).

Options not exercised by that time will lapse.
- (c) The exercise price of each Option is \$0.27 (27 cents) (**Exercise Price**).
- (d) Applicants will receive an exercise notice at the same time that they receive a holding statement in respect of the Options (**Exercise Notice**). Options are exercisable by completing and delivering an Exercise Notice to the Company, delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price in cleared funds.
- (e) Some or all of the Options may be exercised at any one time or times prior to the Expiry. Options must be exercised in respect of a minimum of 100,000 Options except where an Option holder holds less than 100,000 Options, in which case all options held by that Option holder must be exercised.
- (f) Shares issued pursuant to the exercise of any of the Options will rank in all respects on equal terms with the existing Shares in the Company at that time.
- (g) The Company will not seek to have the Options admitted to the official list of ASX. If the Company is still admitted to the ASX's official list at the time of exercise, the Company will make application for new Shares allotted on exercise of the Options to be admitted to the official list of entities maintained by ASX.
- (h) Each Option will not be freely transferable at any time before the Expiry Date.
- (i) Options will not entitle the Option holder to participate in any new issue of securities by the Company unless the Option has been duly exercised prior to the relevant record date. The Company will ensure that for the purposes of determining entitlements to participate in any new issues of securities to holders of Shares, that the record date will be at least five business days after the date the issue is announced.
- (j) If, prior to the Expiry Date of the Options, there is a bonus issue to the holders of Shares:
 - (i) the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (k) If, prior to the Expiry Date the issued capital of the Company is reorganised, the rights of the Option holder may be varied to comply with the Corporations Act and ASX Listing Rules which apply at the time of the reconstruction.
- (l) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to holders of Shares after the date of issue of the Options, then the Exercise Price of the Options will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

Your proxy voting instruction must be received by **12.00pm (AEST) on Wednesday, 22 May 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au/>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

