

9 July 2024

CAPITAL RAISING AT A PREMIUM TO DRIVE BRAZIL NIOBIUM & GALLIUM EXPLORATION AND PUSH TOWARDS MINERAL RESOURCE ESTIMATE (MRE) IN ARGENTINA

Patagonia Lithium Ltd (ASX:PL3, Patagonia or Company) is pleased to announce it intends to undertake a convertible note issue, followed by a non-renounceable entitlement offer to eligible shareholders, to raise up to \$2.15 million at a 5.9% premium to the previous closing price (**Capital Raising**).

In a sign of confidence, Executive Chairman, **Phil Thomas will commit to \$150,000 and take up his full entitlement of \$34,000**. The issue of Convertible Notes to him will be subject to Shareholder approval for the purpose of Listing Rule 10.11 and, pending the approval of Shareholders, is provided by way of an unsecured loan.

The Company is also pleased to advise that significant shareholder, Southeast Mingqing Supply Chain (Fuyang) Co Ltd, has committed to subscribe for its full entitlement under the Entitlement Offer **and to subscribe for up to an additional \$1,500,000 under the Entitlement Offer shortfall** - subject to Overseas Direct Investment Approval.

Leading Melbourne Boutique, Copeak Pty Ltd (**Peak**) led the round and has confirmed to Patagonia that it has received firm commitments to raise \$400,000 (up to 4,444,445 shares will be issued on conversion of the Convertible Notes), through the issue of convertible note deeds, which provide for the issue of convertible notes converting at a price of \$0.09 (10% coupon rate and 6 month term where not converted), convertible at the election of the investor. Conversion of notes into shares will include the issue options on a 1 for 2 basis - \$0.15 exercise price and 31 August 2025 expiry (**Options**), for nil additional consideration (**Convertible Note**).

Patagonia also advises that it intends to undertake a non-underwritten and non-renounceable entitlement offer to Patagonia's eligible shareholders of one (1) New Share for every three (3) existing Shares held (**Entitlement Offer**) by each eligible shareholder at the record date for the Entitlement Offer (**Record Date**) at an issue price of A\$0.09 per New Share to raise A\$1.75 million (before costs) if fully subscribed. Successful applicants will also receive one (1) Attaching Option for every two (2) New Shares acquired for nil additional consideration, which are exercisable at A\$0.15 and expiring on 31 August 2025 unless previously exercised (**Entitlement Offer**).

Patagonia is an exploration company with a strategic focus in tenements located in Argentina, including the Formentera/Cilon lithium brines project and the Tomas III project at Incahuasi salar, Salta province. The company has 4 groups of concessions

Capital structure

58.6m - PL3 shares

5.5m - unquoted options

14.6m - PL3O quoted options

Patagonia Lithium Ltd

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

Board

Phil Thomas - Exec Chair

Rick Anthon - NED

Sam Qi - NED

Jarek Kopias - Co Sec

in Brazil exploring for REE Ionic clays, Niobium and Lithium in pegmatites in Goiás, Mato Grosso and Minas Gerais states.

The proceeds of the Entitlement Offer and the Convertible Notes will be used to complete the current drill program in Argentina and prepare an updated Mineral Resource Estimate, drive its Brazilian exploration program and for working capital.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlements will not receive any value for those entitlements that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value for the entitlements they would have received had they been eligible.

Patagonia will notify shareholders as to whether they are eligible to participate in the Entitlement Offer and eligible shareholders will receive a prospectus, including a personalised entitlement and acceptance form, which will provide further details of how to participate in the Entitlement Offer.

A copy of the prospectus is expected to be lodged with the ASX and ASIC on or about 12 July 2024. Those shareholders who PL3 determines to be ineligible shareholders will also be notified. The Entitlement Offer is subject to the *Corporations Act 2001* (Cth), ASX Listing Rules and other applicable laws. Copeak Pty Ltd ("Peak") has agreed to act as Lead Manager to the Capital Raising, which is not underwritten.

Proposed Timetable

Proposed timetable for the Entitlement Offer is included below:

Event	Date
Lodge prospectus with ASIC and ASX	12 July 2024
Record date for Entitlement Offer (7.00pm (Sydney time)) (Record Date)	19 July 2024
Prospectus and personalised Application Forms despatched to Eligible Shareholders and ineligible Shareholder Letters despatched and announcement of despatch	23 July 2024
Entitlement Offer opens	23 July 2024
Last day to extend the Closing Date for the Entitlement Offer (before noon)	6 August 2024
Closing Date for the Entitlement Offer (5.00pm (Sydney time))	9 August 2024
Announcement of results of Entitlement Offer (before noon)	15 August 2024
Issue of New Shares and Attaching Options issued under the Entitlement Offer	15 August 2024
Quotation of New Shares and Attaching Options issued under the Entitlement Offer	16 August 2024

The above dates (other than the date of the announcement of the Entitlement Offer) are indicative only and may change without notice. Subject to the *Corporations Act 2001* (Cth), ASX Listing Rules and other applicable laws, Patagonia reserves the right to alter any or all of these dates, including to extend the Closing Date or close the Entitlement Offer without further notice. A change to the Closing Date may cause other dates to change.

Patagonia's directors also reserve the right not to proceed with the whole or part of the Entitlement Offer at any time prior to the allotment, in which case, the relevant application monies will be returned without interest.

Authorised for release by the Board of the Company.

For further information please contact:

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Our socials – twitter X @pataLithium, Instagram, facebook, pinterest and youtube

About Patagonia Lithium Ltd

Patagonia Lithium has two major lithium brine projects – Formentera/Cilon in Salar de Jama, Jujuy province and Tomas III at Incahuasi Salar in Salta Province of northern Argentina in the declared lithium triangle. It has also applied **for 41,746 Ha**s of concessions exploring for **ionic REE clays, Niobium, and lithium in pegmatites**. The Company has applied for four exploration concession packages. Three have been granted to date one in Mato Grosso state and two in the Goiás state adjacent to the Catalão rare earth complex.

Since listing on 31 March 2023, surface sampling and MT geophysics have been completed, drill holes JAM24-01 and JAM24-02 have been completed. Progress to date has been exceptional as measured by lithium assays. The MT Geophysics at Tomas III on Incahuasi salar is very prospective. In July 2023, a 10 hole drill program was approved for Formentera and a three well program for Cilon is pending. Samples as **high as 1,100ppm lithium** (2 June 2023 announcement) were recorded at Formentera and a Lithium value of **591ppm in well JAM 24-01** (3 May 2024 and 15 May 2024 announcements) and **582ppm in well JAM 24-02** (18 June 2024 announcement). Very low resistivities were recorded to more than a kilometre depth during the MT Geophysics survey at Formentera. The Company confirms it is not aware of any new information or data that materially affects the information in this announcement.