

12 July 2024

Dear Optionholder

## **PATAGONIA LITHIUM LTD – PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE**

As announced on 12 July 2024, Patagonia Lithium Ltd (ACN 654 004 403) (**Company**) is undertaking a non-renounceable entitlement offer of one (1) new fully paid ordinary share (**Share**) for every three (3) Shares held at the Record Date at an issue price of \$0.09 per Share, together with one (1) attaching option for every two (2) Shares issued, with an exercise price of \$0.15 and expiry of 31 August 2025 (**Option**) on a 1 for 2 basis (**Entitlement Offer**).

The Company lodged a prospectus for the Entitlement Offer (**Prospectus**) with ASIC on 12 July 2024 and was released on the Company's ASX announcement platform on the same day. The Company intends to apply the funds raised from the Entitlement Offer (less expenses) to complete the current drill program in Argentina and prepare an updated Mineral Resource Estimate, progress the Brazilian exploration program and for general working capital. The Company will apply for quotation of the Options. Quotation of the Options is subject to the Company satisfying the quotation requirements set out in Chapter 2 of the ASX Listing Rules.

Following completion of the Entitlement Offer, assuming any shortfall is subsequently placed, and the full subscription is raised, the Company will have issued approximately 19,521,667 Shares, resulting in total Shares on issue of 78,086,667 and a further 9,760,834 Options.

From 12 July 2024, the Prospectus will be available to download from both the ASX website (at [www.asx.com.au](http://www.asx.com.au)) and the Company's website (<https://patagonialithium.com.au/>) and will subsequently be despatched to eligible shareholders on 23 July 2024.

You currently hold options to acquire Shares in the Company (**Options**). Accordingly, you will only be entitled to participate in the Entitlement Offer if you exercise those Options before the Record Date by following the process set out below.

### **Capital structure**

58.6m - PL3 shares

5.5m - unquoted options

14.6m - PL3O quoted

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

### **Board**

Phil Thomas - Exec Chair

Rick Anthon - NED

Sam Qi - NED

Jarek Kopias - Co Sec

### **Exercise of options**

To exercise your Options and, thereby, be eligible to participate in the Entitlement Offer (in respect of Shares issued to you on exercise of your Options), you must provide notice in writing to the Company which:

1. specifies the number of vested options being exercised; and
2. provides an electronic funds transfer for the exercise price for the number of Options being exercised, so that it is received prior to the Record Date.

The Company will allot and issue Shares to you after receiving a valid exercise notice and cleared funds and will endeavour to do so before the Record Date if a valid notice and cleared funds are received by Friday, 19 July 2024. You should take this timing into consideration to ensure that you are recorded on the Company's register as the holder of Shares as at 7:00pm (AEST) on the Record Date.

If you do not exercise your Options in sufficient time to be issued Shares before the Record Date, then you will not be entitled to participate in the Entitlement Offer with respect to any Shares which might eventually be issued on exercise of those Options. Your rights as holder of those Options remains unchanged, including the exercise price payable for the exercise of those Options and their expiry date.

If you have any queries in relation to your Options please contact your financial adviser or Patagonia Lithium's Company Secretary, Jarek Kopias, on 0418 823 574.

Phillip Thomas  
Executive Chairman  
**Patagonia Lithium Ltd**