

15 November 2024

## **NOTICE OF 2024 SHAREHOLDER MEETING 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 15 November 2024 (together, the **Notice of Meeting**) in respect of a general meeting of the Company's shareholders (**Shareholders**) to be held on 17 December 2024 at 10:00am (AEDT).

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](http://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](mailto:phil@patagonialithium.com.au)

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

### **Capital structure**

74.8m - PL3 shares

14.6m - PL3O quoted options

7.1m - unquoted options

0.3m - unquoted convertible  
notes

**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

Pablo Tarantini - NED

Jarek Kopias - Co Sec



# PATAGONIA LITHIUM

## Patagonia Lithium Ltd

ACN 654 004 403

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### NOTICE OF GENERAL MEETING

### EXPLANATORY NOTES

### PROXY FORM

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#### **Date of Meeting**

Tuesday 17 December 2024

#### **Time of Meeting**

10:00am (AEDT) (Melbourne time)

#### **Place of Meeting**

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

## NOTICE OF 2024 GENERAL MEETING

Notice is hereby given that the 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 Tuesday 17 December 2024 at 10:00am AEDT.

The business to be considered at the 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.

### ORDINARY BUSINESS

#### **Resolution 1 – Ratification of the issue of 14,932,450 Placement Shares under the Placement**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an Ordinary Resolution:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 14,932,450 Placement Shares on 6 November 2024 on the terms and to the parties set out in the Explanatory Notes."*

#### **Resolution 2 – Approval to Issue 3,000,000 Broker Options**

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an Ordinary Resolution:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of 3,000,000 Broker Options, on the terms set out in the Explanatory Notes, is approved."*

#### **Resolution 3 – Issue Director Performance Rights to Mr Phillip Thomas**

To consider and, if thought fit, to pass, with or without amendment, 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 2,000,000 Director Performance Rights to Mr Phillip Thomas (or his nominee) on the terms and conditions set out in the Notice of Meeting and Explanatory Notes."*

### VOTING INFORMATION, EXCLUSIONS AND PROHIBITIONS

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

#### **Voting exclusion in relation to Resolution 1**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a person who participated in the Placement and any of their respective Associates.

However, this does not apply to a vote cast in favour of Resolution 1 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.

### **Voting exclusion in relation to Resolution 2**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 2 by or on behalf of Copeak Pty Ltd and or nominee(s) (if known at the time of the Meeting) and any person who will obtain a material benefit as a result of the proposed issue of the Broker Options (except a benefit solely by reason of being a holder of Shares), or any of their respective Associates.

However, this does not apply to a vote cast in favour of Resolutions 2 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.

### **Voting exclusions and voting restriction in relation to Resolution 3**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this Resolution by Mr Phillip Thomas and any other person who is eligible to participate in the PSP and, any other person who will obtain a material benefit as a result of the proposed Resolution (except a benefit solely by reason of being a holder of Shares) or any Associate of such persons.

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, the Company will disregard any votes cast on this Resolution (and will be taken not to have been cast if cast contrary to this restriction) 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, and 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 who is the Chair of the Meeting at which this Resolution are voted on and the appointment expressly authorises the Chair of the Meeting to exercise the proxy even if this Resolution are connected directly or indirectly with the remuneration of a Key Management Personnel.

### **Important information concerning proxy votes on Resolution 3**

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 Resolution 3 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 Resolution 3 by marking the box opposite the Resolution on the Proxy Form. You should direct the Chair of the Meeting how to vote on this Resolution.

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 Resolution 3 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 this Resolution. This express authorisation acknowledges that the Chair of the Meeting may vote your proxy even if:

- a) Resolution 3 is 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 Resolution 1 and, that votes cast by the Chair of the Meeting for this Resolution, 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 10:00am AEDT on 15 December 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](mailto: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 10:00am AEDT on 15 December 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, 15 November 2024

## 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 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.

### GENERAL BUSINESS

#### Resolution 1: Ratification of the issue of 14,932,450 Placement Shares under the Placement

On 23 October 2024, the Company announced that it had received commitments to issue 14,932,450 Placement Shares at an issue price of \$0.09 per Placement Share under a private placement to Dr Jose Manzano (**Placement**). The issue of Placement Shares pursuant to the Placement was undertaken under the Company's 15% placement capacity under ASX Listing Rule 7.1 and 10% Additional Placement Capacity under ASX Listing Rule 7.1A.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rules 7.1 and 7.1A limit the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% and 10% respectively of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Placement Shares did not fall within an exception and were issued without Shareholder approval under the Company's 15% placement capacity under ASX Listing Rule 7.1 10% Additional Placement Capacity under ASX Listing Rule 7.1A.

ASX Listing Rule 7.4 allows the shareholders of a listed company to subsequently ratify the previous issues of securities made without prior shareholder approval under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A, provided the issue did not breach the maximum threshold set by ASX Listing Rule 7.1 and ASX Listing Rule 7.1A. If Shareholders ratify the issue, the issue is taken to have been approved under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rules.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A and thus the Company is seeking ratification of the issue of the Placement Shares the subject of Resolution 1. The Company confirms that the issue and allotment of the Placement Shares did not breach ASX Listing Rule 7.1 and ASX Listing Rule 7.1A at the date of issue.

If Resolution 1 is passed, the Placement Shares will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1 and 10% Additional Placement Capacity in ASX Listing Rule 7.1A, 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 1 is not passed, the relevant issues will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1 and 10% Additional Placement Capacity in ASX Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the date of issue.

ASX Listing Rule 7.5 contains certain requirements as to the contents of a Notice sent to Shareholders for the purpose of ASX Listing Rule 7.4 and the following information is included in these Explanatory Notes for that purpose:

<b>Party</b>	The Placement Shares were issued to Dr Jose Manzano who is not a Related Party of the Company at the time of issue and there is no issue of Placement Shares to members of the Key Management Personnel.
<b>Number and Class of Securities issued</b>	14,932,450 Shares were issued.
<b>Date of issue</b>	The Placement Shares were issued on 6 November 2024.
<b>Price or other Consideration</b>	The Placement Shares were issued at a price of \$0.09 (9.0 cents) per Share and the Company received approximately \$1,343,920 for the issue of the Placement Shares.

<b>Terms</b>	The Placement Shares rank equally with all other Shares on issue.
<b>Purpose</b>	The funds raised from the Placement will be used to fund 1) completion of the current lithium brine drill program in Argentina; 2) preparation of an updated Mineral Resource Estimate; and 3) general working capital expenses.
<b>Material terms of agreement</b>	The relevant placement agreement provided that the issue price of the Placement Shares was \$0.09 and included various conditions customary for a placement agreement of this sort.

**Board Recommendation:** The Directors recommend that Shareholders vote in favour of Resolution 1 and advise that they intend to vote any Shares in which they hold or control in favour of Resolution 1.

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 1.

## Resolution 2: Approval to issue 3,000,000 Broker Options

On 23 October 2024, the Company announced that it had agreed, subject to Shareholder approval, to issue 3,000,000 Broker Options to Copeak Pty Ltd (or nominee/s) (Peak) in part consideration for the capital raising services provided by the Peak in relation to the Placement.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Exception 17 of ASX Listing Rule 7.2 provides that an agreement to issue equity securities that is conditional on the holders of the listed company's ordinary securities approving the issue before the issue is made shall be an exception to this prohibition, provided that if an entity relies on this exception the listed company must not issue the equity securities without such approval.

Resolution 2 seeks Shareholder approval for the issue of Broker Options to Peak for the purposes of ASX Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue Options to Peak. In addition, the Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of Broker Options to Peak and be required to pay cash to equivalent a value based on a Black Scholes valuation using a volatility of 60%.

In accordance with the requirements of Listing Rule 7.3 the following information is provided in respect of the Broker Options:

<b>Party/ Allottees</b>	Copeak Pty Ltd or its nominee(s). There are no Related Parties being issued Broker Options.
<b>Number of Options to be issued</b>	3,000,000 Broker Options with an exercise price of \$0.15 each and expiry date of 31 August 2025.
<b>Material Terms of Options</b>	The material terms of the Broker Options are detailed in Appendix 1. The Shares issued upon the exercise of Broker Options will be fully paid ordinary shares and will rank equally in all respects with all other Shares on issue as at the date of their issue.
<b>Date of issue</b>	The issue and allotment of the Broker Options will occur as soon as reasonably practicable following the Meeting and, in any event, within three (3) months of the date of the Meeting.
<b>Price, Consideration</b>	The Broker Options will be issued for nil issue price as part of the consideration payable to Peak for capital raising services under the Lead Manager Agreement.
<b>Purpose</b>	No funds will be raised upon the issue of Broker Options as they will be issued for no additional consideration. Funds will be raised upon the exercise of Broker Options and will be used to progress the Company's exploration activities and for working capital purposes at that time.
<b>Material terms of agreement</b>	The relevant Lead Manager Agreement provided that the Company remunerate the lead manager via issue of Options in relation to services provided in managing the Placement and included various other conditions usual for a placement of this sort.

**Board Recommendation:** The Directors recommend that Shareholders vote in favour of Resolution 2 and advise that that they intend to vote any Shares that they own or control in favour of Resolution 2.

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 2.

### **Resolution 3: Issue of Performance Rights to Mr Phillip Thomas**

#### **Background**

Mr Phillip Thomas is a Director with responsibility of management and oversight of the Company. For the purpose of remunerating Mr Thomas based on his qualifications and experience within the production, development and exploration market, recognition of risks in fulfilling his director role and the desire to preserve cash, the Board has determined to include an incentive based component to his remuneration package via the issue of Performance Rights. The proposed issue of Performance Rights further aligns the interests of Mr Thomas with those of Shareholders through Share ownership, incentivising Directors to make decisions that enhance the Company's long-term value.

Mr Thomas has been invited by the board of the Company to receive up to 2,000,000 Director Performance Rights in total if approved by Members at this Meeting.

#### **Reason for approval – Listing Rules**

Mr Thomas is a Director of the Company and ASX Listing Rule 10.14 provides that a director (or their Associates) may not acquire securities under an employee incentive scheme without the prior approval of shareholders.

Accordingly, approval is sought for the issue of Performance Rights to Mr Thomas (or his nominees) for the purposes of Listing Rule 10.14 on the terms set out below.

If Resolution 3 is passed, the Company will be able to proceed with the issue of Performance Rights to Mr Thomas.

If Resolution 3 is not passed, the Company will not be able to issue Performance Rights to Mr Thomas.

The Performance Rights will be issued under the Company's PSP.

#### **Reason for approval – Corporations Act – Termination Benefits**

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 PSP.

Accordingly, Resolution also seeks Shareholder approval for the purpose of the Company providing these Termination Benefits to the Mr Thomas in accordance with the terms of the PSP.

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

Other than as expressly set out in Resolution 3, no current Director will participate in the PSP 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 that value of the Termination Benefits that the Board may give under the PSP 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 PSP will depend on factors such as the Company's share price at the time of the exercise of this discretion and the number of Performance Rights that the Board decides to waive the exercise conditions in respect of or for which the vesting date is accelerated. Some of the factors that may affect the value of the Termination Benefits are as follows:

- a) the nature and extent of any exercise conditions waived by the Board;
- b) the number of exercise conditions that have been satisfied at the time that the Board exercises this discretion; and
- c) the number of unexercised Performance Rights that Mr Thomas holds at the time that this discretion is exercised.



### Issue of Performance Rights to Mr Thomas

Upon approval at this Meeting, the Company intends to issue 2,000,000 Director Performance Rights to Mr Thomas within 1 month of the Meeting. The Director Performance Rights may vest in tranches upon each performance hurdle being met as approved by the Board. The Company will not issue the Director Performance Rights later than 12 months after the Meeting.

In the event that all Performance Rights vest upon satisfaction of the Key Performance Indicator (**KPIs**) Performance Conditions (summarised below), the total number of Shares that would be issued to Mr Thomas is 2,000,000. The Shares to be issued upon vesting of the Performance Rights 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 Thomas in relation to the issue of Performance Rights.

Further key terms of the PSP 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 Performance Rights as they are issued for nil consideration. Each Performance Right issued to Mr Thomas (or his nominee) will have a nil exercise price.

### Key Performance Indicators

The Performance Rights vest and become exercisable if the Performance Conditions are determined to have been satisfied or as otherwise determined by the Board exercising its discretion.

Where the Performance Conditions are met and Performance Rights vest, Performance Rights may be exercised at any time prior to 31 July 2028. The Performance Conditions relate to Mr Thomas' and the Company's performance during the 2024 calendar year to 30 June 2025. Upon Shareholder approval, Mr Thomas will be issued KPI based Performance Rights as detailed below.

Director Performance Rights will lapse approximately three years after vesting date if the KPI hurdles are met.

#### KPI

The Director Performance Rights will vest upon the following conditions being met by 30 June 2025 in relation to the Company's Formentera lithium brine project in Argentina:

- the Company announcing a JORC compliant Mineral Resource Estimate (Inferred or better) (MRE) of 500,000 tonnes of contained Lithium Carbonate Equivalent (LCE) in the announced MRE; and
- the Company releasing a scoping study (or a study with a greater level of confidence) related to the MRE.

The Director Performance Rights are expected to be issued within five business days of Shareholder approval and the KPI vesting condition must be met by 30 June 2025. The Director Performance Rights will lapse on 31 July 2028, if not exercised, if the KPI hurdles are met and the rights have vested.

Unvested Director Performance Rights will expire within three months of Mr Thomas ceasing to hold office with the Company if earlier than vesting date. The Board will have three months from the end of the KPI measurement period to determine whether the rights have vested.

### Director total current remuneration

Mr Thomas is entitled to an annual salary of \$108,000 plus superannuation. Mr Thomas' remuneration for the year ended 31 December 2023, as disclosed the Company's remuneration report, was \$96,999.

Mr Thomas has the following relevant interest in Equity Securities of the Company:

Shares	2,254,001	
Quoted options	262,500	exercise price \$0.30 and expiry of 15 December 2025
Unquoted options	1,500,000	exercise price \$0.27 and expiry of 5 October 2025
Unquoted options	557,001	exercise price \$0.15 and expiry of 31 August 2025
Convertible notes	98,940	repayable or convertible by 10 January 2025

If all of the Performance Rights granted to Mr Thomas vest and are exercised, then a total of 2,000,000 new Shares would be issued. This will increase the number of Shares on issue from 74,837,252 to 76,837,252 (assuming that no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by approximately 2.67%.

The market price for Shares during the term of the Performance Rights will affect the value of the perceived benefit given to Mr Thomas. If, at any time, any of the Performance Rights vest, then there may be a perceived cost to the Company. The trading history of Shares on ASX in the 12 months to 8 November 2024 is listed in Table 1 below:

**TABLE 1**

	Price	Date
Highest	\$0.195	3 May 2024
Lowest	\$0.05	5 August 2024
Last	\$0.11	8 November 2024

**Corporations Act – Related Party**

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.

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 Performance Rights, pursuant to Resolution 3, as the exception in section 211 of the Corporations Act applies. Shareholder approval must nonetheless be obtained pursuant to ASX Listing Rule 10.14. The Director Performance Rights which are proposed to be issued are considered 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 Performance Rights will be issued to nominees or Associates of Mr Thomas in accordance with Listing Rule 10.14.1 (Director) or Listing Rule 10.14.2 (Associates);
- (b) the number of Director Performance Rights to be issued is up to a total of 2,000,000;
- (c) there have been no Performance Rights previously issued to Mr Thomas under the PSP;
- (d) the full terms of the Director Performance Rights are described in detail above and key terms of the PSP under which they are proposed to be issued are included in Appendix 2;
- (e) the Company will undertake a valuation of the Director Performance Rights using the Company's Share price at the date of grant if approved by Shareholders at the Meeting. If all Director Performance Rights were currently vested, then each Director Performance Right would convert into one (1) Share in the Company and would currently be valued at 11 cents per Share (closing Share price on 8 November 2024);
- (f) the issue of the Performance Rights, the subject of Resolution 3 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), but will vest upon meeting the required KPIs;
- (g) the Performance Rights will be issued for no cash consideration and no consideration is payable by Mr Thomas upon the exercise and conversion of the Performance Right to a Share;
- (h) no funds will be raised upon the issue of Performance Rights;
- (i) details of any securities issued under the PSP 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 PSP after Resolution 3 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

**Board Recommendation**

Mr Thomas declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of that Resolution should Resolution 3 be passed. The Directors (other than Mr Thomas in respect of Performance Rights that relate to himself) recommend that Shareholders vote in favour of Resolution 3 for the following reasons:

- the issue of Performance Rights to Mr Thomas will better align the interests of Mr Thomas with those of Shareholders;
- the issue of the Performance Rights 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 Thomas under his employment arrangements; 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 Performance Rights on the terms proposed.

In forming their recommendations, the Directors considered the experience and skills of Mr Thomas brings to the Company and the current market price of Shares when determining the number of Performance Rights to be issued.

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 3.

## Glossary

In the Notice of Meeting and Explanatory Notes:

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

**AEDT** means Australian Eastern Daylight 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.

**Broker Options** means 3,000,000 Options issued to Peak in connection with the Placement.

**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 Performance Rights** means up to 2,000,000 unquoted performance rights proposed to be issued to Mr Phillip Thomas or nominee.

**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** or **General Meeting** means the general meeting of Shareholders to be held at the offices of Moray & Agnew Lawyers on Tuesday 17 December 2024 at 10:00am AEDT.

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

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

**Option** means an option to acquire a Share.

**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).

**Performance Rights** means KPI based unquoted rights issued to Directors and employees of the Company pursuant to the PSP.

**Placement** means the placement of 14,932,450 Shares at 9.0 cents per Share to raise approximately \$1.343 million as announced on 6 November 2024.

**Placement Shares** means the Shares issued pursuant to the Placement.

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

**PSP** means Performance Share Plan as approved by Shareholders at the Company's 2024 annual general 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.

## Appendix 1

### Terms of Attaching Options and Broker Options

#### Exercise Period and Expiry Date

The Options are exercisable at any time on a Business Day prior to 5:00pm (Sydney time) on 31 August 2025 (**Expiry Date**). Options not exercised by that date will lapse.

#### Exercise Price

Each Option entitles the holder with the right to be issued one Share on payment of the sum of \$0.15 per Option (**Exercise Price**) to the Company.

#### Notice of Exercise

Option holders will receive an exercise notice at the same time that they receive a holding statement in respect of the Options (**Exercise Notice**).

Option holders may not exercise less than 100,000 Options at any one time, unless the Option holder has less than 100,000 Options, in which case they may do so provided they exercise all Options then held.

Options may be exercised at any time prior to 5:00pm (Sydney time) on the Expiry Date by delivering a duly executed Exercise Notice to the Company, together with payment for the aggregate Exercise Price for the Options being exercised.

Options will be deemed to have been exercised on the date that the Company has received the aggregate Exercise Price (in cleared funds) in respect of the Options exercised in accordance with the Exercise Notice.

#### Shares Issued on Exercise of Options

Shares to be issued pursuant to the exercise of Options will be issued following receipt of all the relevant documents and payments (in cleared funds) and will rank equally with the then issued Shares.

Shares issued pursuant to the exercise of Options will have the same rights and liabilities as the Company's existing Shares on issue as at the date of the exercise of the Options. The full details of the rights attaching to Shares are set out in the Company's Constitution.

If the holder of any Options exercises less than the total number of Options registered in their name, the Company will provide the holder of any Options with a new holding statement stating the remaining number of Options registered in that holder's name, together with a new exercise notice.

#### Quotation of Options and Shares on Exercise

The Company has applied to the ASX for Quotation of the Options.

An Application will also be made at the time of the exercise of any Options for Quotation of the Shares to be issued upon exercise of Options.

The holder of any Options may transfer some or all of their Options in any manner authorised by the ASX or the Corporations Act.

#### Participation or Entitlements

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of securities offered to Shareholders during the term of the Options, except in their capacity as existing Shareholders.

#### Bonus Issues

If, prior to the expiry of the Options, the Company makes a bonus issue of Shares to Shareholders for no consideration, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the relevant record date for the bonus issue.

#### Pro-Rata Issue

If, from time to time, before the expiry of the Options, the Company makes a pro-rata issue of Shares to shareholders, the exercise price of the Options may be amended in accordance with ASX Listing Rule 6.22.2.

#### Capital reorganisation

If there is a reorganisation of the issued capital of the Company (including any consolidation, subdivision, reduction, or return of capital), the rights of the Option holders shall be changed to the extent necessary to comply with the ASX Listing Rules at the time of the reorganisation.

**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.

Your proxy voting instruction must be received by **10.00am (AEDT) on Sunday, 15 December 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 Key Management Personnel.

### 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://automicgroup.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](mailto: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)

