

PATAGONIA LITHIUM LTD ACN 654 004 403

SUPPLEMENTARY PROSPECTUS

1. IMPORTANT NOTICES

This supplementary prospectus is dated 12 August 2025 (**Supplementary Prospectus**) and is intended to be read together with the prospectus issued by Patagonia Lithium Ltd ACN 654 004 403 (**Patagonia**) dated 29 July 2025 (**Original Prospectus**).

This Supplementary Prospectus was lodged with ASIC on 12 August 2025. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Original Prospectus remain unchanged. If there is any inconsistency between the Original Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

Capitalised terms used, but not defined, in this Supplementary Prospectus have the same meaning as ascribed to them in the Original Prospectus.

This is an important document that should be read, together with the Original Prospectus, in its entirety. If you do not understand it, you should consult your professional advisor.

This Supplementary Prospectus will be issued to Shareholders with the Original Prospectus and will be accessible online at www.patagonialithium.com.au.

The Directors are of the opinion that the additional information set out in this Supplementary Prospectus, and the omission of that information from the Original Prospectus, is not materially adverse from the point of view of an investor. Accordingly, no action needs to be taken if you have already subscribed for New Shares under the Prospectus.

2. WHY HAS PATAGONIA ISSUED THIS SUPPLEMENTARY PROSPECTUS?

The purpose of this Supplementary Prospectus is to provide Shareholders with:

- (a) additional detail regarding the proposed use of funds;
- (b) additional disclosure regarding the effect on control of the Company if Dr Manzano's Voting Power reaches 49.45%; and
- (c) a pro-forma statement of financial position for the period ending 31 December 2024.

3. SUPPLEMENTARY DISCLOSURE

3.1 Use of funds

Patagonia wishes to supplement the information set out in Sections 3 and 4.3 of the Original Prospectus, by providing additional detail regarding the proposed use of funds raised pursuant to the Entitlement Offer:

Use of funds	Amount \$	Percentage (%)
Current drill program and updated Mineral Resource Estimate:		
Exploration drilling (600metres)	\$1,125,000	42%

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Use of funds	Amount \$	Percentage (%)
Borehole Magnetic Resonance (BMR) and seismic	\$100,000	4%
Argentina technical wages	\$210,000	8%
Australia technical wages	\$254,000	9%
Brail exploration	\$169,000	6%
Resource update	\$156,000	6%
TOTAL:	\$2,014,000	75%
General working capital:		
Audit & legal	\$58,000	2%
Australia admin	\$154,000	6%
Argentina admin	\$210,000	8%
Working capital (incl costs of the offer)	\$244,000	9%
TOTAL:	\$666,000	25%

3.2 Effect on Control

Sections 4.4 and 4.9 of the Original Prospectus set out the potential effects on control arising from the Entitlement Offer, including that, in the event that no New Shares are subscribed for by Eligible Shareholders, other than Dr Manzano and Magnus, Dr Manzano's Voting Power may increase from 38.00% to 49.45%.

As Shareholders are aware, resolutions required by the Listing Rules and the Corporations Act usually require approval by ordinary resolution, being affirmative approval by a majority of the votes cast by shareholders of a company entitled to vote on the resolution at the meeting (in person or by proxy).

Accordingly, depending on the level of participation by Shareholders other Dr Manzano in respect of any particular resolution and any voting exclusions applying under the Listing Rules and/ or the Corporations Act, Dr Manzano may be able to determine the outcome of any ordinary resolution of the Company, enabling Dr Manzano to have effective control of any decisions regarding Company's future operations that may need to be made.

In this context, Shareholders should note the disclosure in Section 4.4 of the Original Prospectus, that:

- (a) Dr Manzano has the right to nominate a person to the board of directors of the Company, which is in addition to Manzano's existing nominee on the Board, Mr Pablo Tarantini; and
- (b) as at date of Dr Manzano's Binding Commitment and Underwriting Deed, he:
 - (1) intends to support the Company on its continued exploration activity in Argentina and Brazil; and

- (2) does not have any intention to redeploy the Company's assets or, otherwise, change the Company's current business.

If Dr Manzano does nominate an additional Director for appointment, and they are so appointed, those Directors will be in a position to cast two (2) of the four (4) votes on any resolution of Directors.

If this were to occur, and there were to be an equal number of votes cast for and against a matter being considered by the Directors, then the chair of the meeting will have a casting vote, unless only two (2) Directors are present and entitled to vote on the matter.

It is noted that section 4.4 of the Original Prospectus makes reference to a "*total of 2/5 Directors*". Whereas, as stated immediately above, this would currently be a "*total of 2/4 Directors*" given the current composition of the Board (of three Directors).

Despite the above potential control effects, the Company considered that proceeding with the proposed underwriting by the Underwriters was in the best interests of the Company having regard to the Company's need of funds, the timeframe within which it could raise such funds via the underwritten Entitlement Offer and the absence of any credible alternative funding strategies.

4. Pro-Forma Financial Information

Patagonia wishes to supplement the Original Prospectus by providing the following pro-forma statement of financial position of Company to demonstrate the effect of the Entitlement Offer and Top-Up Offer on the Company's financial position as at 31 December 2024.

4.1 Source of Information

The information in this Section 4 provides a summary of the Company's historical financial information. Full details of the Company's historical financial information, including applicable notes and the accounting policies underlying their preparation, are contained in the Company's financial reports for the year ended 31 December 2024 which can be found on the Company's website and in the Company's past announcements to the ASX.

4.2 Introduction

The financial information set out in this Section 4 contains the following financial information in relation to the Company:

- (a) audited historical statement of financial position as at 31 December 2024 (**Statutory Historical Financial Information**); and
- (b) a pro-forma statement of financial position as at 31 December 2024 and the associated details of the pro-forma adjustments (**Pro Forma Historical Statement of Financial Position**),

(together, the Statutory Historical Financial Information and Pro Forma Historical Statement of Financial Position form the **Financial Information**).

The Financial Information should be read together with the other information contained in the Original Prospectus, including:

- (c) the risk factors described in Section 7 of the Original Prospectus;
- (d) the description of the purpose of the Capital Raising described in Section 4.3 of the Original Prospectus, as supplemented by Section 3.1 of this Supplementary Prospectus; and
- (e) the effect on the capital structure described in Section 4.7 of the Original Prospectus.

Please note that past performance is not an indication of future performance.

4.3 Basis of preparation of the Financial Information

- (a) The Company's financial statements for the financial year ended 31 December 2024 were audited by Hall Chadwick Melbourne Audit (**Hall Chadwick**). Hall Chadwick issued an unqualified opinion on the financial reports for the year ended 31 December 2024.
- (b) The Financial Information has been prepared in accordance with the recognition and measurement criteria of Australian Accounting Standards and the significant accounting policies are set out in the financial reports for the year ended 31 December 2024.
- (c) These significant accounting policies have been consistently applied throughout the financial periods presented, unless otherwise stated.
- (d) The Financial Information is presented in abbreviated form insofar as it does not include all of the presentation and disclosures required by the Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Pro Forma Historical Statement of Financial Position

	Dec 24 Audited		March Raise	Utilisation of Cash	Adjusted Dec 24		Impact of Offer	Proforma Total
	\$		\$	\$	\$		\$	\$
Assets								
<i>Current assets</i>								
Cash and cash equivalents	57,546		3,500,856	(3,432,298)	126,104		2,641,045	2,767,149
Trade and other receivables	147,093		-	-	147,093		-	147,093
Other	79,585		-	-	79,585		-	79,585
	284,224		3,500,856	(3,432,298)	352,782		2,641,045	2,993,827
<i>Non-current assets</i>								
Other receivables	646,975				646,975			646,975
Exploration and evaluation	10,049,317			46,658	10,095,975		-	10,095,975
	10,696,292		-	46,658	10,742,950		-	10,742,950

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	Dec 24 Audited		March Raise	Utilisation of Cash	Adjusted Dec 24		Impact of Offer	Proforma Total
	\$		\$	\$	\$		\$	\$
Total Assets	10,980,516		3,500,856	(3,385,640)	11,095,732		2,641,045	13,736,777
Liabilities								
<i>Current liabilities</i>								
Trade and other payables	1,703,670			(1,582,127)	121,543		-	121,543
Borrowings	867,210			(867,210)	-		-	0
	2,570,880		0	(2,449,337)	121,543		-	121,543
Total Liabilities	2,570,880		0	(2,449,337)	121,543		-	121,543
Net Assets	8,409,636		3,500,856	(936,303)	10,974,189		2,641,045	13,615,234
Equity								
Issued capital	9,835,277		3,500,856		13,336,133		2,641,045	15,977,178
Reserves	1,567,666				1,567,666		-	1,567,666
Accumulated losses	(2,993,307)			(936,303)	(3,929,610)		-	(3,929,610)
	8,409,636		3,500,856	(936,303)	10,974,189		2,641,045	13,615,234

The unaudited pro forma statement of financial position is based on the audited financial position as at 31 December 2024 and is adjusted to reflect the following assumptions. The, "Impact of Offer" pro forma transactions are yet to occur, but are proposed to occur immediately before or following completion of the Entitlement Offer:

- the March 2025 capital raise, which raised (net of transaction costs) \$3,500,856;
- adjustment to reflect the Company's cash position as at 30 June as disclosed in its Quarterly Cash-Flow Report for the period ending on 30 June 2025 (as released to the ASX on 30 July 2025);
- the issue of 59,705,180 New Shares pursuant to the Entitlement Offer (as the Entitlement Offer will be fully subscribed by virtue of the underwriting arrangements described in Section 4.4 of the Original Prospectus), issued at an issue price of \$0.045, raising gross proceeds of \$2,686,733 and;
- deducting the estimated aggregate costs of the Entitlement Offer which are described in Section 4.11 of the Original Prospectus. The cash costs directly attributable to the Entitlement Offer (applying the relevant Australian Accounting Standards) are \$45,688. These costs are offset against contributed equity.

This information is presented on the basis that there have been no movements in the assets and liabilities of the Company between 31 December 2024 and the close of the Entitlement Offer except as detailed above. This information is unaudited and has not been independently reviewed.

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5. ADDITIONAL INFORMATION

Eligible Shareholders should also be aware that, between the date of lodging the Original Prospectus with ASIC and the ASX and the date of this Supplementary Prospectus, various other documents have been lodged with the ASX as set out in the table below:

Date	Description of announcement
29 July 2025	Fully Underwritten Entitlement Offer Prospectus
29 July 2025	Proposed issue of securities - PL3
29 July 2025	Entitlement Offer - Letter to Optionholders
30 July 2025	Quarterly Activities and Cashflow Report 30 June 2025
4 August 2025	Reprocessed Geophysics Shows Deep Basement
6 August 2025	Despatch of Prospectus and Letter to Ineligible Shareholders

Copies of these announcements can be inspected at the registered office of the Company during normal office hours, free of charge, and are also available on the Company's website at www.patagonialithium.com.au.

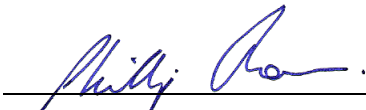
6. CONSENT

Dr Jose Manzano has given his written consent to being named in this Supplementary Prospectus and the inclusion in this Supplementary Prospectus of the statements regarding his intentions in respect of his participation as underwriter of the Entitlement Offer in the form and context in which those statements are included. Dr Manzano has not withdrawn his consent prior to the lodgement of this Supplementary Prospectus with ASIC.

7. AUTHORISATION

This Supplementary Prospectus is issued by Patagonia.

The lodgement of this Supplementary Prospectus with ASIC was consented to by every Director of Patagonia.



 Phillip Thomas
 Executive Chairman