



PATAGONIA LITHIUM

Patagonia Lithium Ltd

ACN 654 004 403

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES

PROXY FORM

Date of Meeting

Friday 24 March 2023

Time of Meeting

11:00am (AEDT) (Melbourne time)

Place of Meeting

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

PATAGONIA LITHIUM LTD
ACN 654 004 403

NOTICE OF 2023 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 March 2023 at 11:00am AEDT.

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

2022 Financial Statements

To receive, consider and discuss the Company's annual financial report including the Directors' Declaration for the year ended 31 December 2022 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 2022 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 Philip 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."

SPECIAL BUSINESS

Resolution 3 – Appointment of Auditor

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

"That Hall Chadwick of Level 14, 440 Collins Street, Melbourne, Victoria having been duly nominated by a shareholder of the Company and having consented in writing to act, be appointed as auditor of the Company."

Resolution 4 – Establish the non-executive Directors' fee pool

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

“That pursuant to and in accordance with Article 121.1 of the Constitution and for all other purposes, the maximum aggregate amount of Directors' fees payable to non-executive Directors be set at \$500,000 per annum.”

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.

Important information concerning proxy votes on Resolution 1

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

Additionally, the Company will disregard any votes cast on Resolution 1 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 1 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 1 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 the Resolution. This express authorisation acknowledged that the Chair of the Meeting may vote your proxy even if:

- (a) Resolution 1 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. Patagonia encourages shareholders to **appoint the Chairman of the Meeting as their proxy**.

Shareholders are encouraged to lodge their Proxy Forms online at <https://www.automicgroup.com.au/>.

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 11:00am AEDT on 22 March 2023):

On-line: <https://www.automicgroup.com.au/>.

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 AEDT on 22 March 2023. 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 February 2023

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 AEDT on Friday 17 March 2023, 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 2022 is set out in the Directors' Report within the 2022 Annual 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 (when relevant), 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.

Resolution 2: Re-election of Mr Philip Thomas as a Director 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;
- (c) a Director who retires by rotation under Article 108 of the Constitution is eligible for re-election; and

Accordingly, Mr Philip Thomas is required to retire as Directors of the Company and being eligible, has offered himself for re-election. A resume of Mr Thomas follows:

Mr Philip Thomas, BSc (Geology), MBA 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 A.I.S. Resources Ltd (TSXv:AIS) 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 Chairman of copper producer, Austral Resources Australia Ltd (ASX:AR1) and CEO of Spey Resources Corp. (TSXv:SPEY).

Phillip is President of Panopus Plc a Singapore based resources and banking consultancy that specialises in valuations and appraisals of mining projects, exploration programs for lithium, advisory, capital raising, and banking feasibility studies. 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.

Board Recommendation: The Directors (other than Mr Thomas who is not entitled to make, and does not make, a recommendation in relation to the Resolution) recommend that Shareholders vote in favour of Resolution 2.

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

Resolution 3: Appointment of Auditor

Hall Chadwick was appointed as auditor in accordance with section 327A(1) of the Corporations Act. That appointment will lapse in accordance with section 327A(2) of the Corporations Act at the Company's Annual General Meeting. Section 327B(1) requires the appointment of an auditor at the Company's Annual General Meeting.

Hall Chadwick of Level 14, 440 Collins Street, Melbourne, Victoria has been duly nominated for appointment as the Company's auditor, as required by section 328B of the Corporations Act.

A copy of the nomination appears in Appendix 1.

Hall Chadwick has consented to the firm's appointment.

Board Recommendation: The directors recommend that shareholders vote in favour of Resolution 3.

The Chair of the Meeting intends to vote all undirected proxies in favour of the appointment of Hall Chadwick as the Company's auditor.

Resolution 4: Establish in non-executive Directors' fee pool

Resolution 4 seeks Shareholder approval for the purposes of Article 121.1 of the Company's Constitution and for all other purposes, for the Company to be authorised to establish the maximum aggregate amount of fees available to be paid to non-executive Directors as \$500,000 per annum.

The Board considers that it is reasonable and appropriate at this time to seek the remuneration pool for non-executive Directors for the following reasons:

- (a) to give the Board strategic flexibility to appoint additional non-executive Directors;
- (b) potential growth of the Company and increased responsibilities for non-executive Directors;
- (c) non-executive Directors fees may in the future need to be increased to retain Directors;
- (d) to attract new Directors of a calibre required to effectively guide and monitor the business of the Company particularly in regard to mine development and operation; and
- (e) to remunerate Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates.

The maximum aggregate amount of fees payable to Directors has not been set to date. It is not intended to fully utilise the aggregate amount of fees in the immediate future.

The total aggregate annual remuneration of the non-executive Directors for the financial year ended 31 December 2022 was \$13,260 as detailed in the Company's 2022 Annual Report. This includes all Board and committee fees paid to non-executive Directors and superannuation contributions made on behalf of the non-executive Directors.

The only securities that were issued to non-executive Directors within the preceding three years were 3,500,000 unquoted options with an exercise price of 27.0 cents each and expiry of 3 years after the date of issue date to each of (or their nominees):

- a. Mr Phillip Thomas (expiry 5 October 2025)
- b. Mr Paul Boyatzis (expiry 10 October 2025); and
- c. Mr Gino D'Anna (expiry 10 October 2025)

as issued prior to the Company's proposed admission to the ASX.

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 4.

The Chair of the Meeting intends to vote all undirected proxies in favour of establishing the non-executive Directors' fee pool.

Glossary

In the Notice of Meeting and Explanatory Notes:

AEDT means Australian Eastern Daylight Time (Melbourne time).

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.

Explanatory Notes means these explanatory notes.

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

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 March 2023 at 11:00am AEDT.

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.

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

13 February 2023

Mr Jarek Kopias
Company Secretary
Patagonia Lithium Ltd
Level 6, 505 Little Collins Street
MELBOURNE VIC 3000

Dear Sir,

PATAGONIA LITHIUM LTD – NOMINATION OF AUDITOR

In accordance with section 328B(1) of the Corporations Act 2001 (Cth), I, Phillip Thomas, in my capacity as corporate representative of Gurtan Pty Ltd, being a shareholder of Patagonia Lithium Ltd ("Company"), hereby nominate Hall Chadwick of Level 14, 440 Collins Street, Melbourne, Victoria as auditor of the Company.

Yours faithfully,



PHILLIP THOMAS
CORPORATE REPRESENTATIVE FOR GURTAN PTY LTD