PATAGONIA LITHIUM

ASX:PL3

Q2 2023 Investor Presentation

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MONETARY VALUES

Unless otherwise stated, all dollar values are in Australian Dollars (A$).

Highlights

Picture of the Cilon Salar looking north west with salt on surface from evaporation

- Raised $8.6m (before costs) with 58.565m shares on issue – market cap of $11.7m at $0.20 per share.
- Tightly held capital structure – founders supporting and holding ~25% of shares and ~67% shares held by top 20 shareholders at PL3's listing date.
- Paid ~A$3.8 million to Tomas III, Formentera and Cilon vendors - 100% owned projects.
- Patagonia exploration licenses cover whole salar (Paso Salar) area at Formentera/Cilon.
- Drilling permit applications lodged, UGAMP government meeting completed for Formentera/Cilon.
- Geological team mapping and sampling in April 2023.
- Geophysics for Formentera and Tomas III scheduled for May 2023

Highlights (cont)

Project Overview

- **Formentera and Cilon Projects (Paso Salar, Jujuy Province)** – covers 1,752 and 199 Has respectively adjacent to Lake Resources (ASX:LKE).
- **Tomas III Project (Incahuasi Salar, Salta Province**) – covers 571.5Has, at 3400m ASL, adjacent to JEMSA, Power Minerals (ASX:PNN) – others on salar include Ganfeng (1772.HK), Allkem (ASX:AKE), Tolar Grande town 45km away.
- The Company has acquired 100% interest in the exploration assets – Formentera Project, Cilon Project and Tomas III Project.
- Formentera Project and Cilon Project covers the majority of the Paso salar area.

Exploration Program Q2 2023

- **Formentera and Cilon** – planned exploration includes - surface trenching and sampling (10m), 3 geophysics lines (200m spacing) MT survey, SGS chemical analysis of surface samples, mapping recharge water courses.
- **Tomas III** – planned exploration includes - mapping, structural geology review, geophysics line (CSAMT 2 lines 3km).

Patagonia Lithium Ltd - Top 5 Shareholders & Capital Structure

PL3 Top 5 Shareholders			
		11-Apr-23	% held
1	10 BOLIVIANOS PTY LTD	10,296,004	17.58%
2	FUYANG MINGJIN NEW ENERGY DEVELOPMENT CO LTD	10,000,000	17.08%
3	SOUTHEAST MINGQING SUPPLY CHAIN (FUYANG) CO LTD	3,750,000	6.40%
4	KOVI G INVESTMENTS PTY LTD<KOVI GORDON FAMILY A/C>	1,509,431	2.58%
5	FREEDOM TRADER PTY LTD	1,177,500	2.01%
TOTAL - TOP 5		**26,732,935**	**45.65%**
TOTAL ON ISSUE		**58,565,000**	

Set out below is the Company's capital structure:

Security	**Number**
Shares on issue at the date of the Replacement Prospectus	15,440,000
Shares issued to the Cornerstone Investors	15,000,000
Shares issued under the Offer	19,500,000
Shares issued to the Convertible Note Investors	8,500,000
Shares issued to the Tomas III Vendor	125,000
Total Shares on Admission	**58,565,000**
Options on issue at the date of Replacement Prospectus	3,500,000
Options issued to the Lead Manager	2,000,000
Total Options on Admission	**5,500,000**

ASX-listed explorers in Argentina's Lithium Triangle

Allkem Ltd
ASX:AKE
Mkt Cap: $6.90B

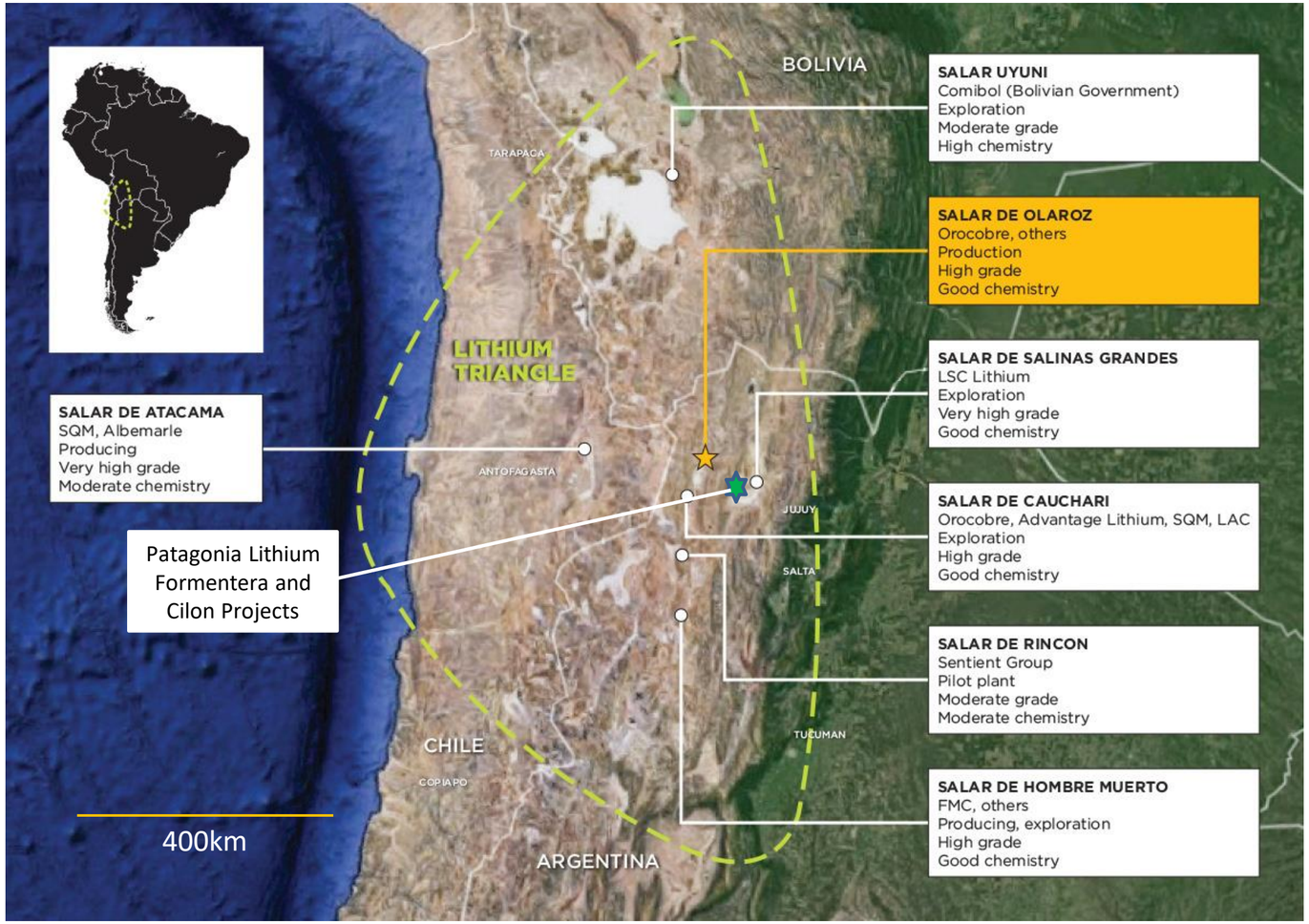
Lake Resources Ltd
ASX:LKE
Mkt Cap: $647.21M

Lithium Energy Ltd
ASX:LEL
Mkt Cap: $58.43M

Galan Lithium Ltd
ASX:GLN
Mkt Cap: $311.51M

Power Minerals Ltd
ASX:PNN
Mkt Cap: $30.70M

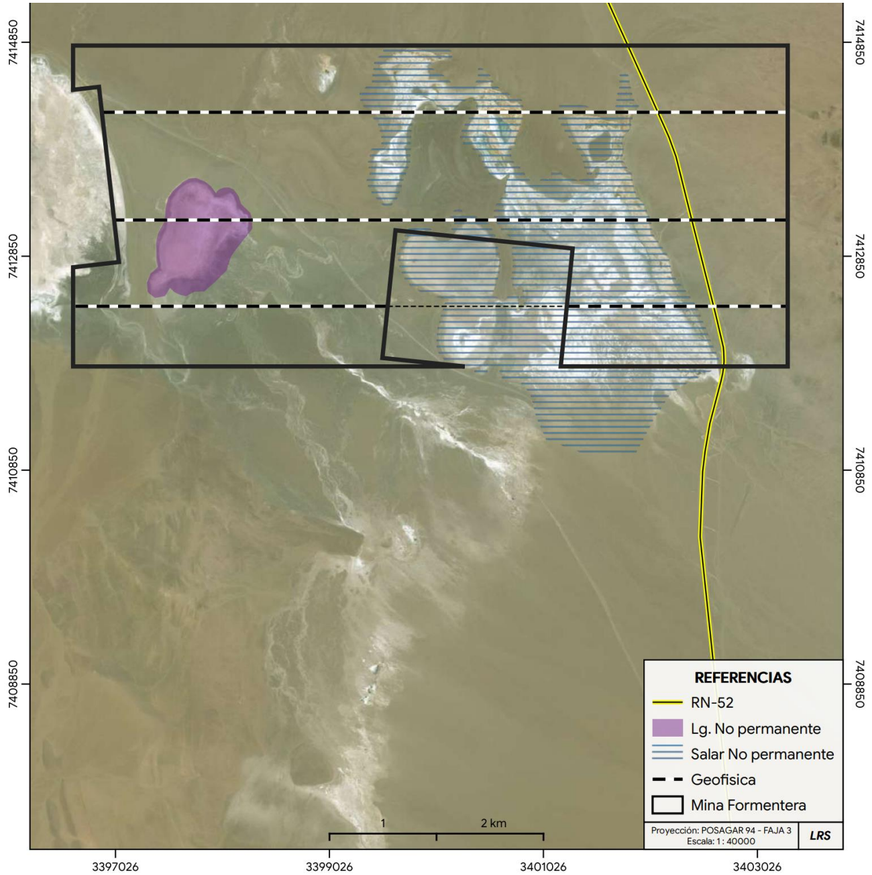
Patagonia Lithium
Ltd ASX:PL3
Mkt Cap: $11.7M



Market Cap. as at 11 April 2023

Formentera and Cilon Projects (Paso Salar)

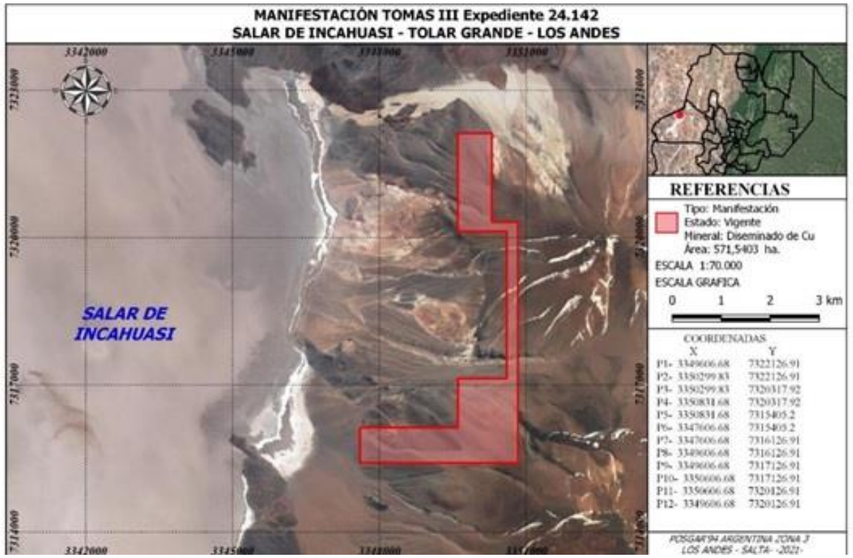
Picture of Formentera and Cilon looking west



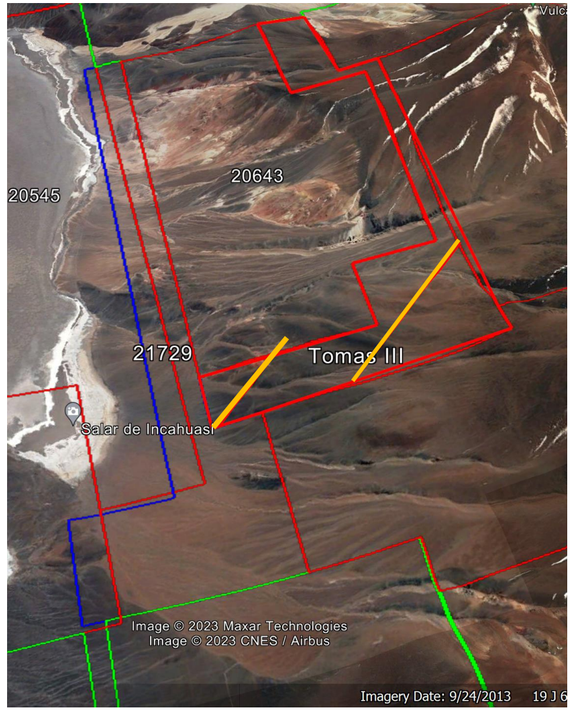
Shows the three lines for the MT geophysics survey at Formentera/Cilon

Tomas III Project (Incahuasi Salar)

Looking north west at Tomas III from Incahuasi Salar basin



Exploration licence area (in red)



Yellow lines show approximate location of CSAMT geophysics survey.

Board of Directors

Mr Phillip Thomas
Executive Chairman

- Phillip has more than 20 years' experience working in Argentina on Pocitos, Guayatayoc, Salinas Grandes, Pozuelos, Rincon and Incahuasi salars.
- He is CEO of Spey Resources Corp, and past CEO of A.I.S. Resources Ltd and chairman and CEO of Admiralty Resources NL (ASX:ADY) where he and his team explored and developed a pilot plant at the Rincon Salar in 2003-2008. He is both QP for NI43-101 and CP for JORC in lithium brines.He is Non-Executive Chairman of copper producer, Austral Resources Australia Ltd (ASX:AR1).
- 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.

Mr Gino D'Anna
Non-Executive Director

- Gino has experience in Canadian Government and First Nations relations in the mining sector and has worked in numerous jurisdictions including Australia, Botswana, Namibia and Canada. In addition, he has been involved in the exploration and development of many projects including new discoveries and the continued development of existing discoveries.
- Gino is currently an executive director of MetalsTech Limited (ASX: MTC) which is developing the Sturec Gold Mine in Slovakia and is also a founding shareholder and founding director of Askari Metals Limited (ASX: AS2) which is exploring and developing a portfolio of high-grade battery metals (Li + Cu) projects in Australia and Namibia.

Mr Paul Boyatzis
Non-Executive Director

- Paul has over 35 years' experience in the investment and equity markets specifically within emerging growth companies in the resources and financial services sector in Australia and internationally. Paul was instrumental in the formation of Nexus Minerals Ltd and as founding Chairman has played a pivotal role in the development of the company.
- Paul has served as chairman and director of several public and private companies globally and is currently non-executive chairman of Nexus Minerals Ltd (ASX:NXM) and VRX Silica Ltd (ASX:VRX).
- Paul is a member of the Australian Institute of Company Directors, the Securities and Derivatives Industry Association and the Australian Society of Accountants.

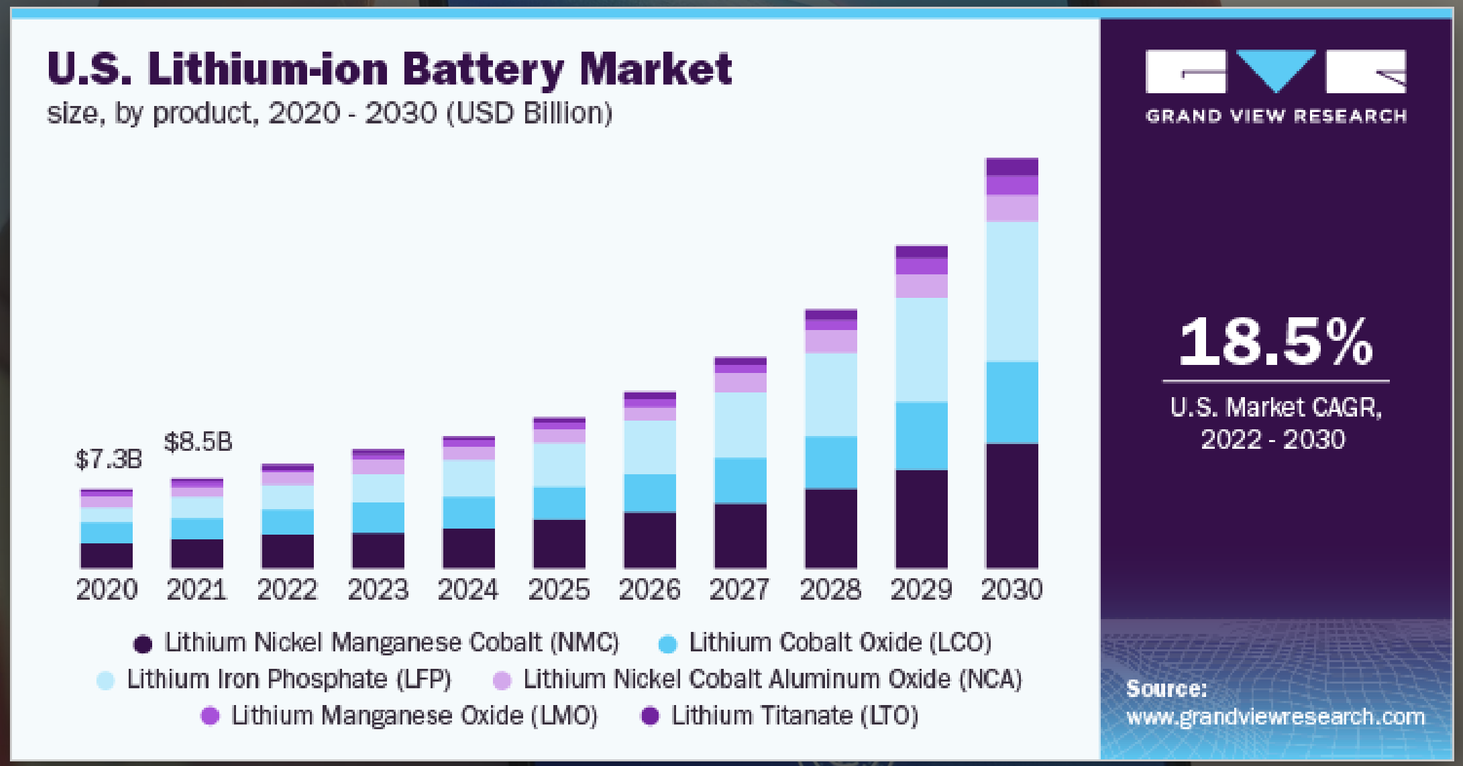
Technical Support
Team Argentina

In Argentina we have the following consulting staff working for us:

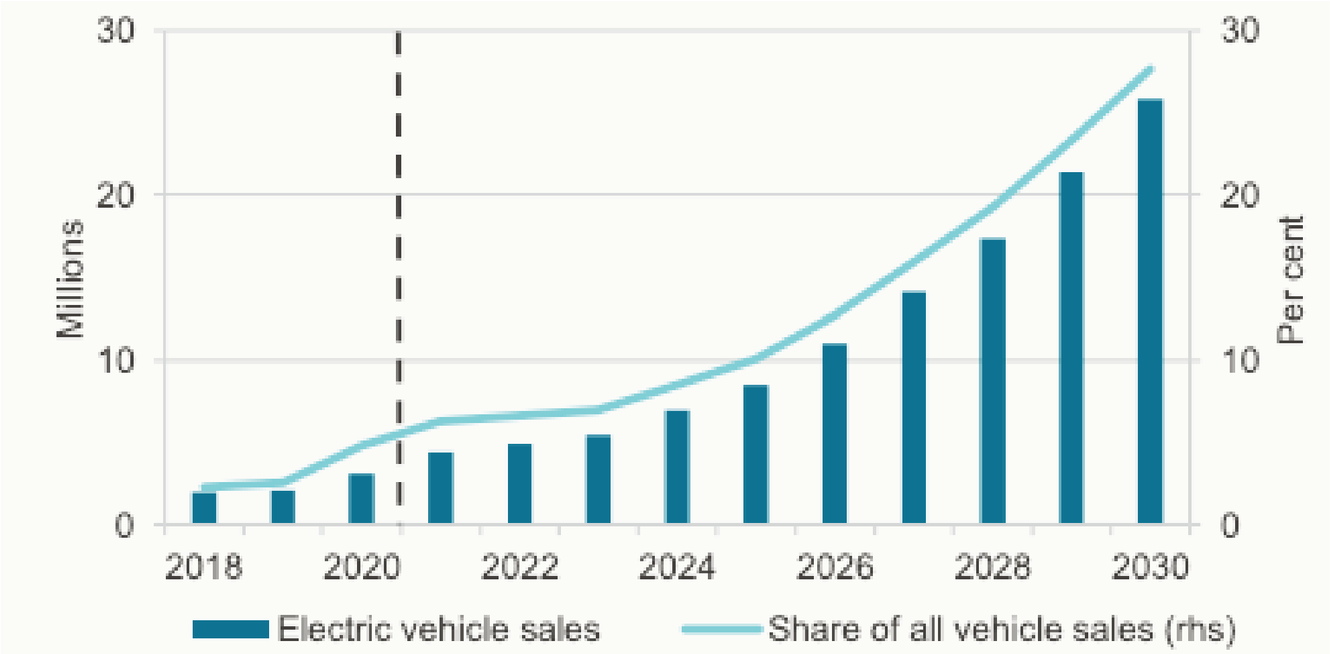
- Legal advisors in Buenos Aires, Salta and Jujuy. Our legal advisor in Jujuy Ms A F Clapier has vast experience in mining matters and compliance in the province of Jujuy.
- Country President, logistics and community engagement co-ordinator, liaison with mines departments.
- Three geologists experienced in working with salares especially Incahuasi and Formentera.
- Competent person group for authoring JORC compliant resources.
- Geohydrological and brine resource estimation consultants.
- Environmental impact study consultants for base line studies prior to mine development.
- Accounting and tax advice team Hadad Consulares has been engaged.

"The global lithium-ion battery market size is projected to grow from USD 41.1 billion in 2021 to USD 116.6 billion by 2030; it is expected to grow at a CAGR of 12.3% from 2021 to 2030."

- Business Wire, A Berkshire Hathaway Company



Global Highlights 2018-2030



Source: Department of Industry, Science, Energy and Resources (2021); International Energy Agency (2021); BloombergNEF (2021)

- EV sales during 2022 were over 10.2 million units, a 65% YoY growth.
- EVx accounted for over 14% of the world's passenger vehicle sales in 2022, compared to 9% in 2021.
- 7 out of the top 10 EV models in Q4 2022 were from Chinese brands.
- Tesla remained the top-selling brand in the pure battery EV (BEV) segment.
- EV sales are expected to reach nearly 7 million unites by the end of 2023.

Source: Counterpoint Research https://www.counterpointresearch.com/global-ev-sales-q4-2022

Gigafactories are lowering production costs and increasing demand - supercharging the Li-Ion battery revolution and demand

According to Albemarle, the largest lithium producer in the world, the lithium demand is anticipated to **increase by 600% from 2019 to 2025 in the EV market**

The global lithium-ion battery market size is projected to grow **from USD 41.1 billion in 2021 to USD 116.6 billion by 2030**; it is expected to grow at a CAGR of 12.3% from 2021 to 2030

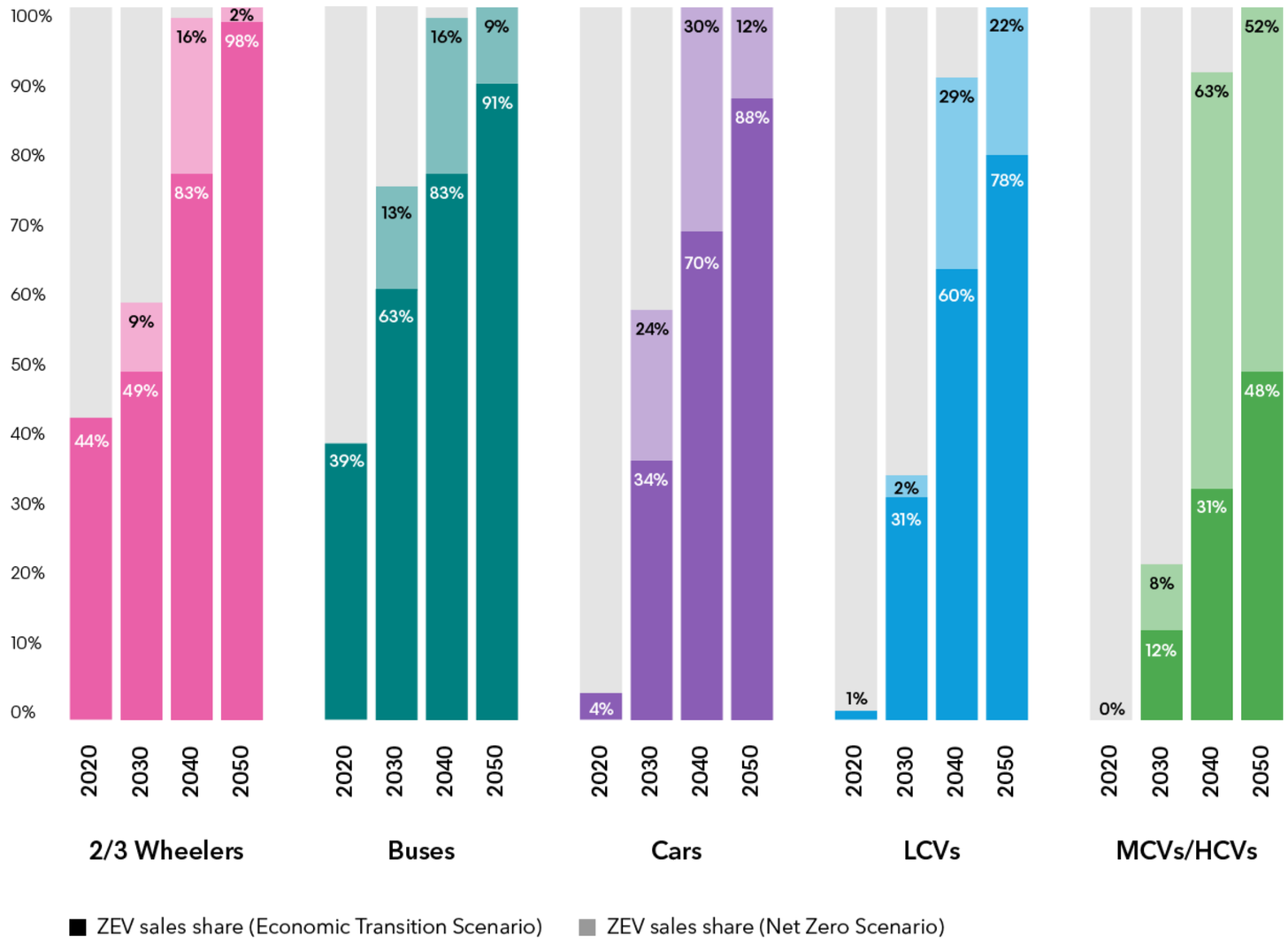
>30% CAGR in Energy Storage, **20-30% CAGR** in Transportation, >15% CAGR in Consumer Devices and Electronics

Source: Albemarle, access here
Source: Industry.gov.au, access here

Share of zero-emission vehicle sales by segment: Economic Transition Scenario and Net Zero Scenarios

According to BloombergNEF, EV sales are surging due to a combination of **policy** support, **improvements** in battery technology and **cost**, more charging infrastructure being built, and new compelling models from automakers. Electrification is also spreading to new segments of road transport, setting the stage for huge changes ahead.

By 2027, Bank of America expects the market to **re-enter a massive supply deficit of -91,876 tonnes**, more than triple the supply deficit expected in 2022. The **deficit is projected to expand to -538,068 tonnes** by 2030 as supply growth plateaus.



Source: BNEF. Note: 'LCVs, MCVs and HCVs are light-, medium- and heavy-duty commercial vehicles.' access here

Lithium Carbonate Spot Price (Dec 2021 - Present) CNY

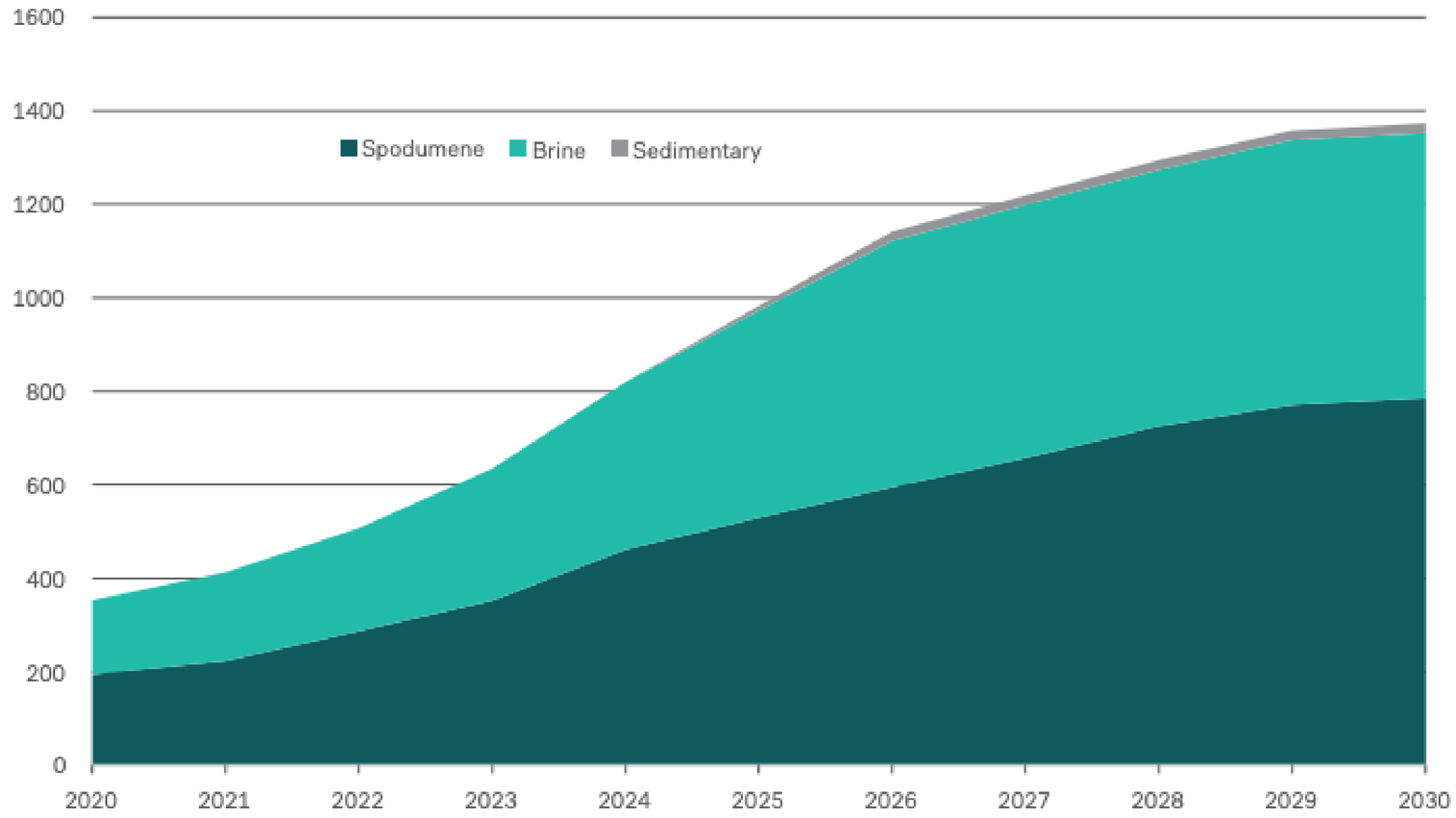
Lithium carbonate prices in China dropped to CNY 260,000 per tonne US$37,735 in late March 2023, the lowest in 15 months and 53% down from their record-high in November 22, as robust output and a pullback in demand continued to support forecasts of a supply surplus this year.

After subsidising battery manufacturers and granting cash rewards to new electric vehicle purchases in 2022, China halted incentives for the new energy auto sector and catalysed a decline in demand for battery inputs.

The overproduction of batteries at the end of 2022, to take advantage of subsidies, drove battery producers to have unsustainably high inventories and prompted the sale of goods at a steep discount with sharp capacity cuts at manufacturers in all streams of the supply chain.

Source: Trading Economics March 2023

Lithium Supply Outlook (2020-2030)



Source: Deutsche Bank estimates

"As EV growth is set to accelerate, we expect lithium demand to triple from current levels to 1mt LCE (lithium carbonate equivalent) by 2025.

Beyond this, we estimate that lithium needs will further increase to 1.8mt LCE by 2030, although we forecast the supply pipeline to only yield 1.4mt LCE by the end of the decade."

- Deutsche Bank Research

Source: Trading Economics

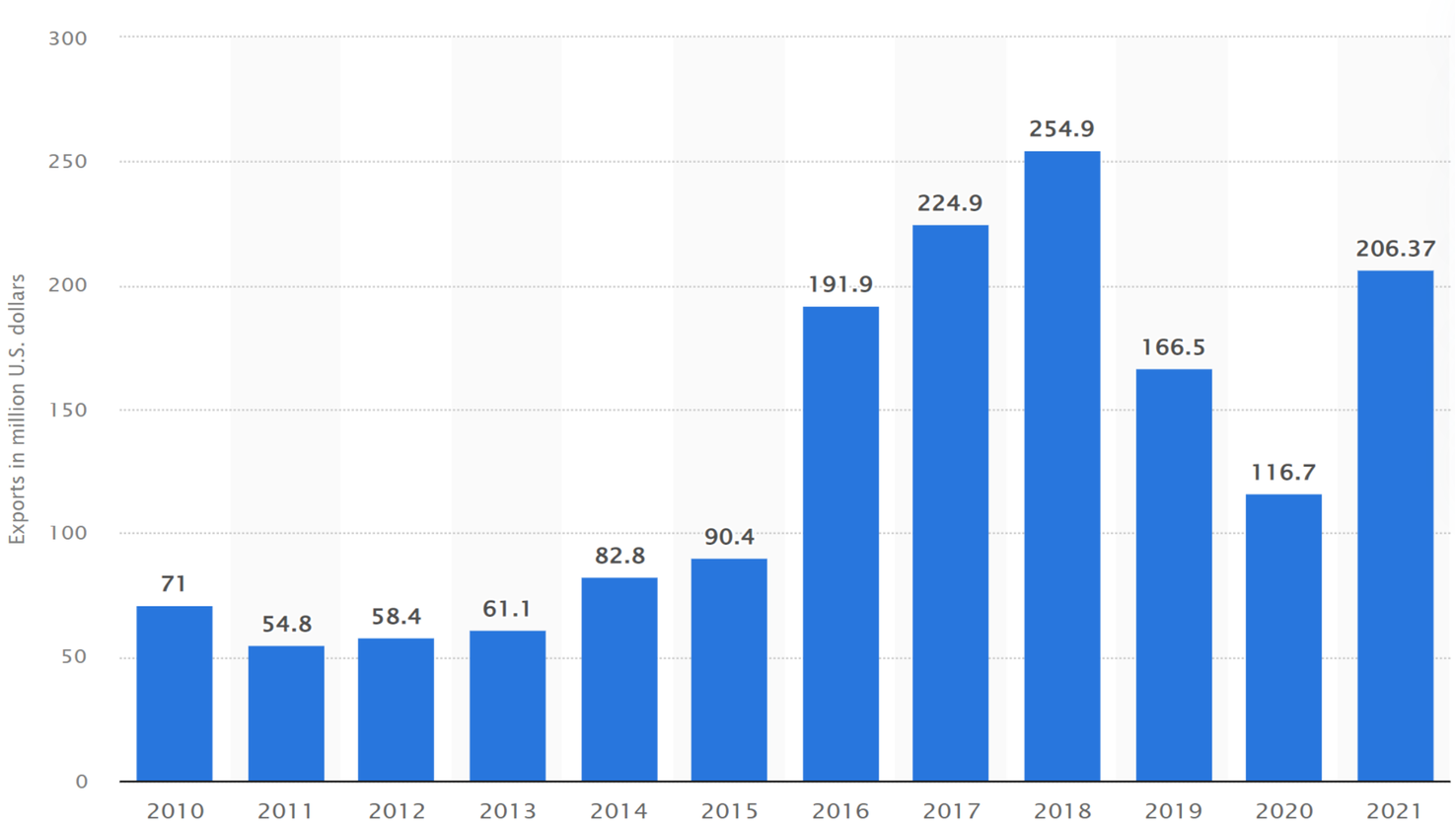
Argentina is poised for a boom in Lithium exports

Argentina's production of lithium carbonate is expected to more than double by 2023 and **hit 175,000 metric tonnes by 2025**, according to forecasts from the country's mining chamber. This would potentially value Argentina's lithium exports at US$1.5 Billion.

Argentina has fixed a 4.5% export royalty at a base value of US$53,000, implying a tax of $2,385 per tonne.

Source: Argentine Mining Chamber CAEM 22 Mar 2023

Lithium export value in Argentina from 2010 to 2021 (in million USD)



Source: Statistica 2023

Project Overview

Formentera Project

- The Formentera Project is the Company's flagship project.
- 1,752 hectares (17.52 km^2) and located in an area dominated by clastic and saline sedimentation.
- It is prospective for lithium and boron.
- Nearby tenements include Allkem (ASX:AKE), Lake Resources (ASX:LKE) & Lithium Americas (NYSE:LAC)

Cilon Project

- The Cilon Project is adjacent to the Formentera Project.
- 199 hectares (1.99 km^2) and located in an area dominated by saline sedimentation.
- Historically operated as a Ulexite borate mine.
- Jujuy Province, northwest of the Argentina, being prospective for Borates and lithium.
- Close to town of Jama (18km away).

Both projects have submitted:

- **Environmental Impact Studies, with drill work plans.**
- **Environmental Monitoring study for Formentera and Cilon.**
- **Community presentation and affidavit to work in the Olaroz Community.**
- **UGAMP meeting completed in Jujuy to finalise the work programs.**

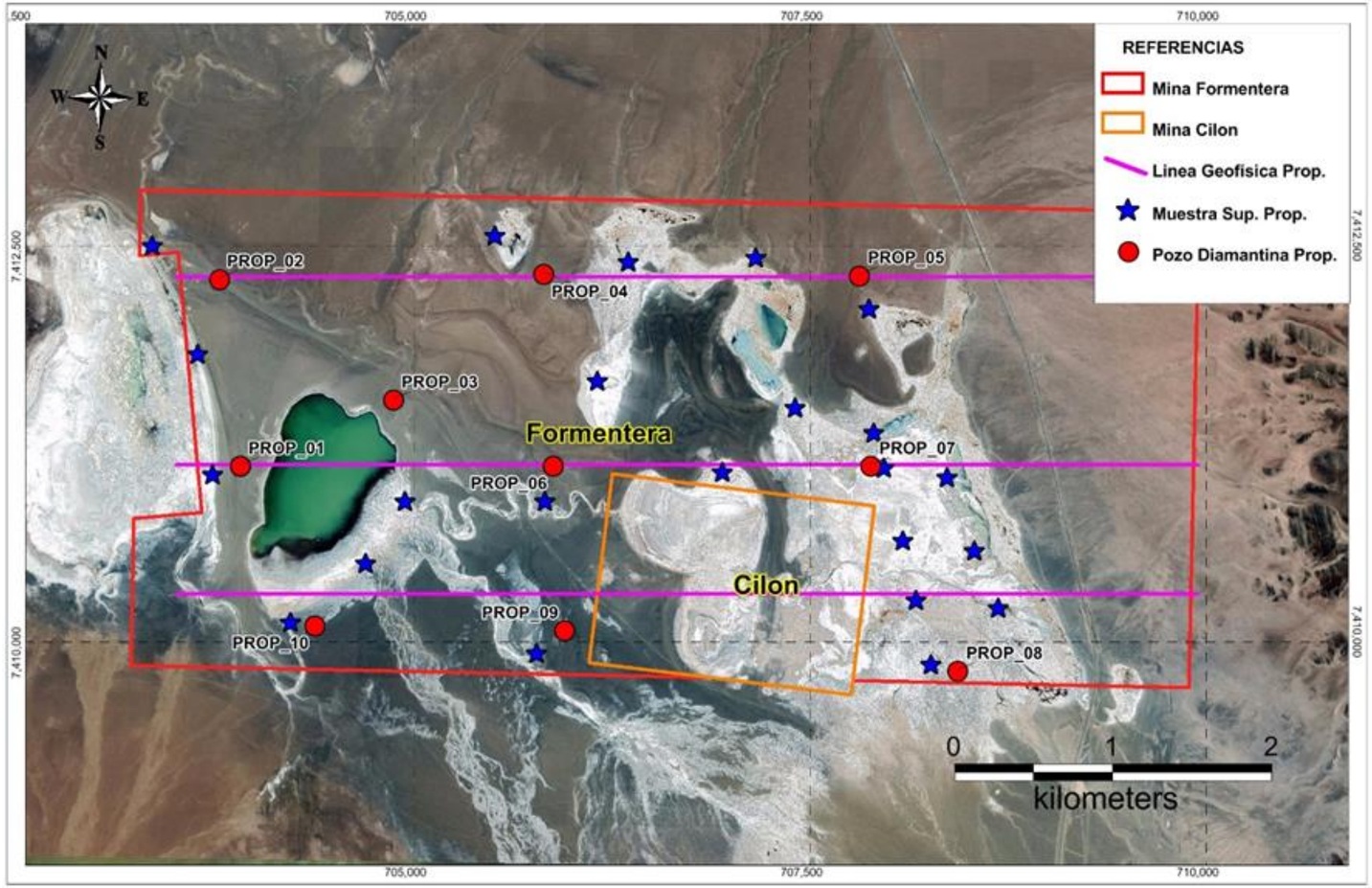
Tomas III Project

- 571 hectares (5.71 km^2) and is located in an area dominated by volcanics and sits about 300-600m above the surface of the salar.
- Close to Power Minerals (ASX:PNN) – others on salar include Ganfeng (1772.HK), REMSA, Allkem (ASX:AKE).
- Tolar Grande town is 45km away.

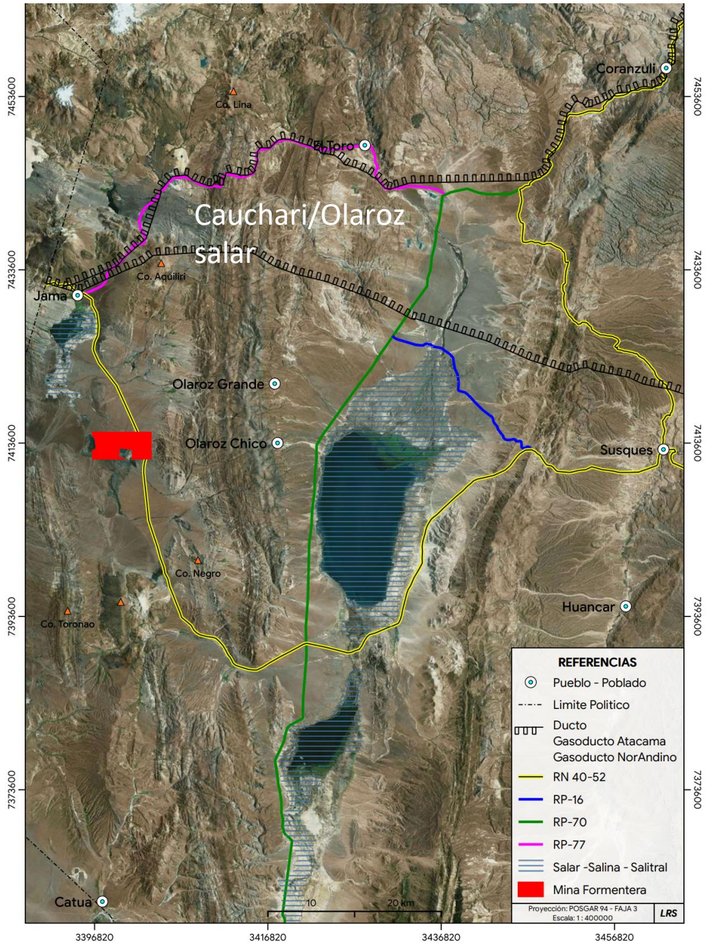
Photo of Formentera (Paso Salar)

Formentera/Cilon Projects

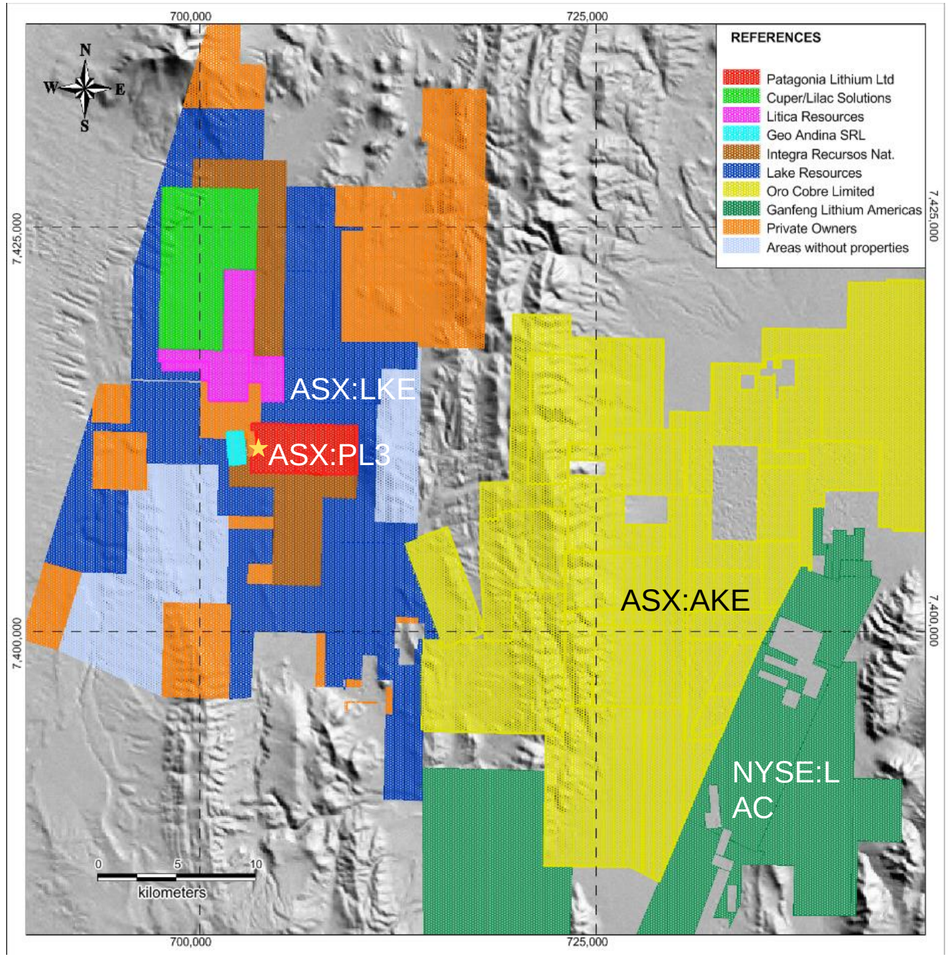
- The Cilon concession area is located on the **southern boundary of Formentera. 199** hectares and located in an area dominated by clastic and saline sedimentation.
- The Cilon Project includes an **exploration application** lodged in the Susques department, Jujuy Province, northwest of the Argentina, being highly prospective for borates and lithium.
- Historically operated as a **Ulexite borate mine.**



Blue stars are proposed sampling points, pink lines are geophysics lines using MagnetoTelluric, red dots are proposed drill hole locations



Infrastructure – gas pipeline, main highways is closeby



Major explorers and producers such as Allkem, Lake Resources are nearby

Tomas III Project

- The concession area is approximately 571.5 hectares and is located in an area dominated by volcanics and sits about 300-600m above the surface of the salar.
- Includes an exploration licence application in the Tolar Grande department, Salta Province, northwest Argentina, being prospective for lithium and borates.
- Adjacent to Power Minerals (ASX:PNN) – others on salar include Ganfeng, Allkem (ASX:AKE), Tolar Grande town 45km away, Pocitos town 120km.

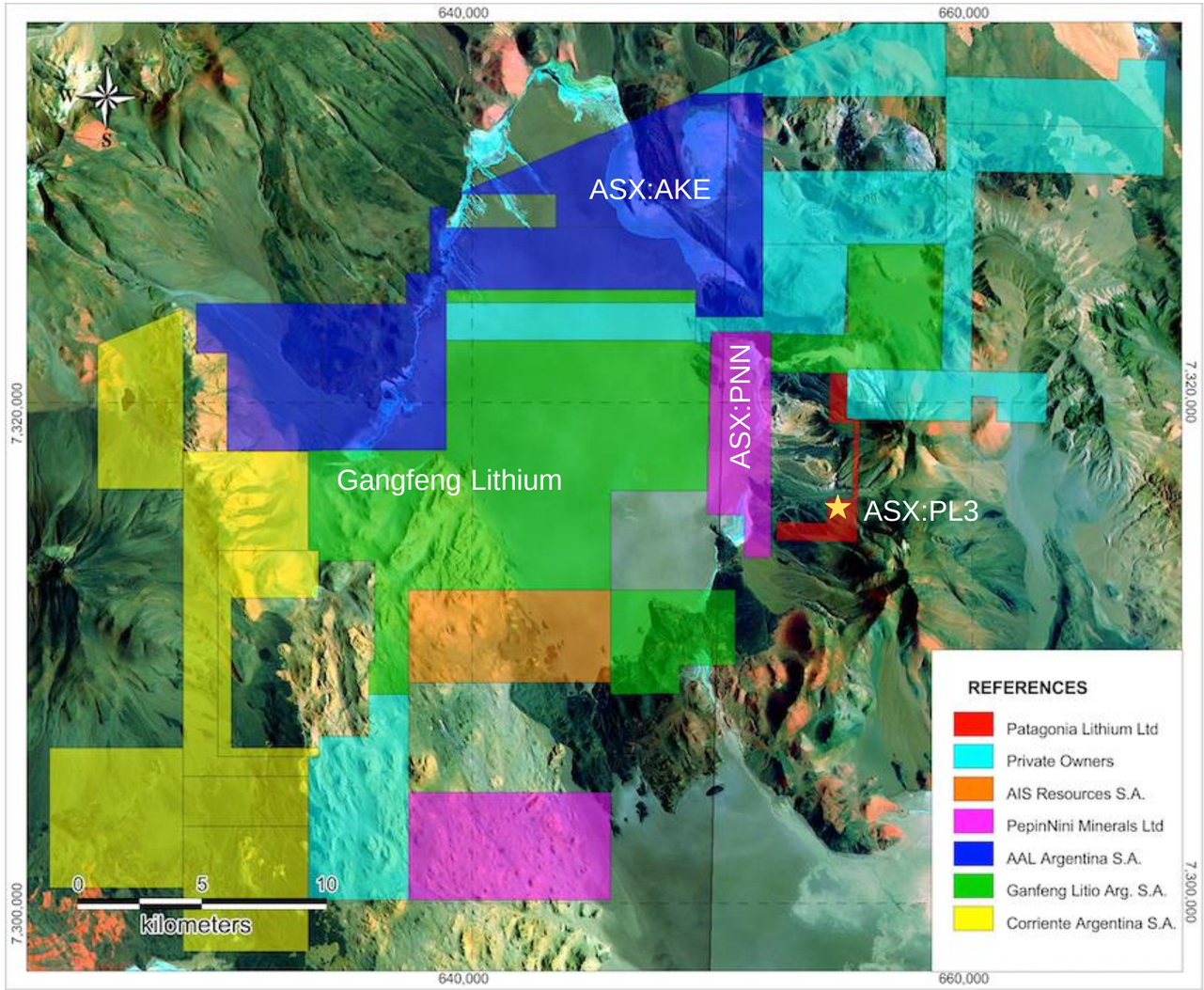
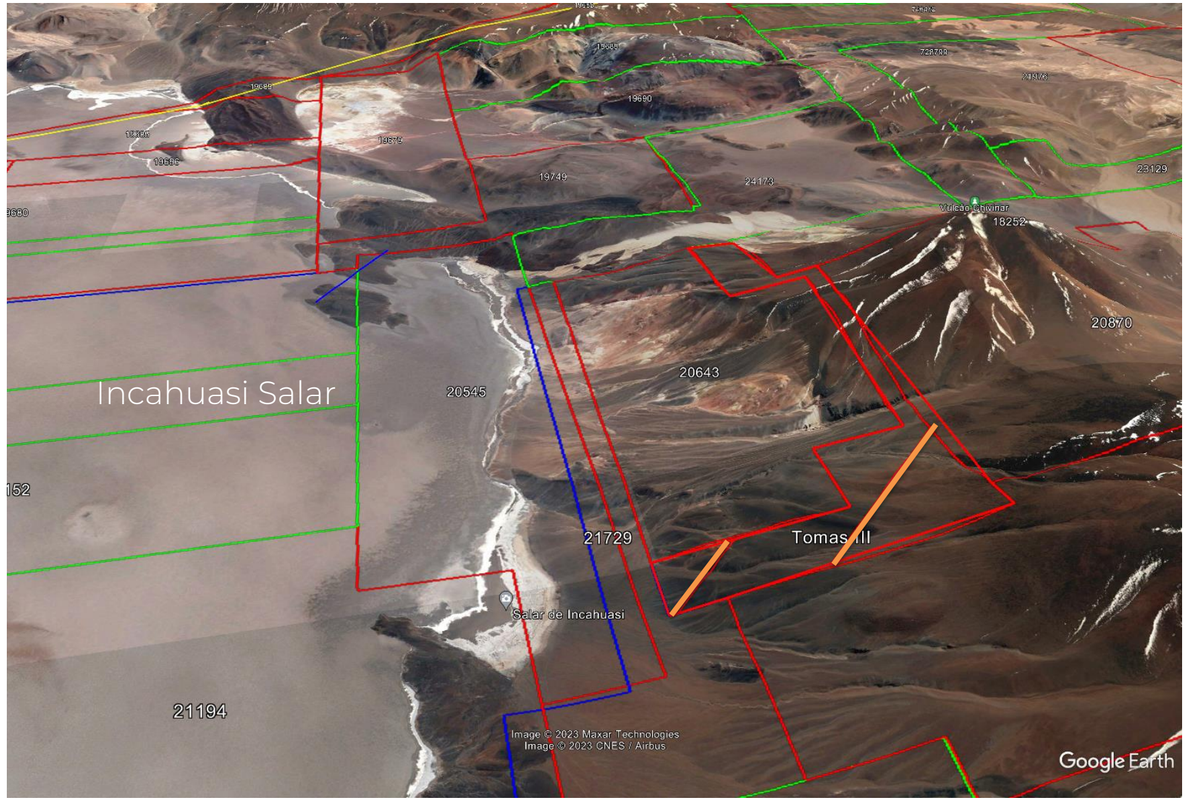
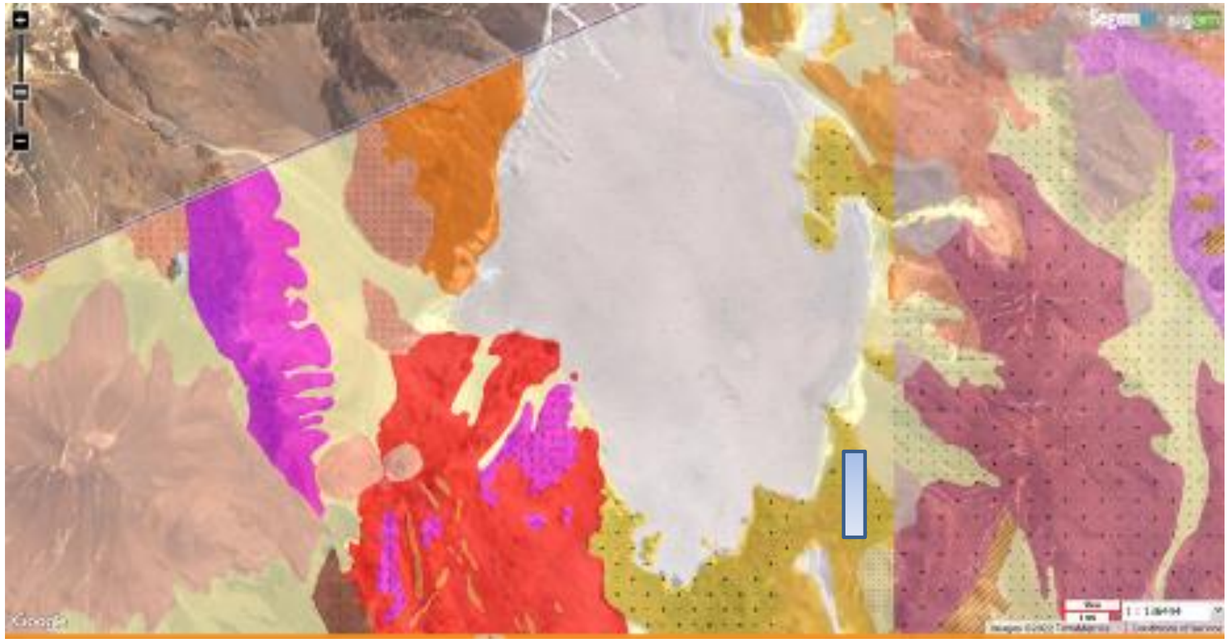


Figure left is the Incahuasi salar and the southern extent of the concession

Tomas III Project – Salta province



Concession Map of Tomas III, with geophysics lines in orange



Geological Map of Tomas III showing volcano (LHS) and surface alluvials and ignimbrites on concession that may be source for the lithium in the salar

12-month Exploration Program at Formentera/Cilon and Tomas III

Patagonia Lithium Limited ASX:PL3 Activity-Indicative timetable

Formentera/Cilon

Activity	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
Completion of drill permit data**													
Issue of Drilling permit***													
Sampling past exploration holes*													
Mapping Recharge water courses*													
Pegging geophysics MT lines, line prep*													
MT Geophysics*													
MTGeophysics reports*													
Drill hole analysis from Geophysics*													
Pegging drill hole locations, drill pad prep**													
Contract drillers, logistics**													
Conduct packer, flow tests**													
Estimate Inferred, Indicated Resource JORC													
DLE process study and selection													
Pre-engineering extended Brine release, flow tests**													
Production planning/production well drilling**													
Environmental base line and 6mth update report													

Incahuasi

Activity													
Completion of social survey													
Issue of Drilling permit***													
Mapping Recharge water courses*													
Pegging geophysics CSAMT lines, line prep*													
CSAMT Geophysics survey*													
CSAMT Geophysics reports*													
Drill hole location analysis from Geophysics*													
Pegging drill hole locations, drill pad prep**													
Contract drillers, logistics**													
Conduct packer, flow tests**													
Base line environmental Report													

Note

* The required permits have been granted to PL3 by the relevant authority to undertake these exploration activities.

** The required permits have been applied for but not yet granted to PL3 by the relevant authority to undertake these exploration activities.

*** The issue of the drilling permits may be delayed longer than anticipated and hence other work reliant on these permits will be delayed

PATAGONIA LITHIUM

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