



4 September 2023

Dear Shareholder

PATAGONIA LITHIUM LTD – PRO-RATA NON-RENOUCEABLE RIGHTS ISSUE

As announced on 4 September 2023, Patagonia Lithium Ltd (ACN 654 004 403) (**Company**) is undertaking a non-renounceable rights issue of one (1) listed Option (**Loyalty Option**) for every four (4) Shares held at an issue price of \$0.01 per Loyalty Option (**Offer**).

The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC on 4 September 2023 and was released on the Company's ASX announcement platform on the same day. The Company intends to apply the funds raised from the Offer (less expenses) towards general working capital. The Company will apply for quotation of the Loyalty Options. Quotation of the Loyalty Options is subject to the Company satisfying the quotation requirements set out in Chapter 2 of the ASX Listing Rules.

Following completion of the Offer, assuming any shortfall is subsequently placed, and the full subscription is raised, the Company will have issued approximately 14,641,250 Loyalty Options, resulting in total Shares on issue of 58,565,000 (unchanged) and total Options on issue of 20,141,250.

We are writing to you as an eligible shareholder on the Offer's record date, entitled to participate in the Offer.

From 4 September 2023, the Prospectus will be available to download from both the ASX website (at www.asx.com.au) and the Company's website (<https://patagonialithium.com.au/>) and will subsequently be despatched to eligible shareholders on 12 September 2023.

The Offer closes at 5:00pm (AEST) on 3 October 2023.

Participation in Offer

The number of securities for which you are entitled to apply for under the Offer (**Entitlement**) is shown on your personalised Entitlement and Acceptance Form, which is enclosed with this letter.

Fractional entitlements will be rounded up to the nearest whole number.

Any Entitlement not taken up pursuant to the Offer will form the shortfall (**Shortfall Offer**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date.

Capital structure

58.6m - PL3 shares

5.5m - unquoted options

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

Board

Phil Thomas - Exec Chair

Paul Boyatzis - NED

Gino D'Anna - NED

Sam Qi - NED

Jarek Kopias - Co Sec

Entitlement and Acceptance Form Applications

Your acceptance of securities under the Offer must be made following the instructions on your personalised Entitlement and Acceptance Form (which is enclosed with this letter) and paying the application monies electronically by BPay or EFT in accordance with the instructions of the Entitlement and Acceptance Form.

Actions required of Eligible Shareholders

There are a number of actions you may take in relation to the Offer, which are outlined in the Entitlement and Acceptance Form and are set out below:

1. accept your full Entitlement;
2. take up a proportion of your Entitlement and allow the balance to lapse; or
3. if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Key dates for the Offer

Lodgement of Prospectus with the ASIC	4 September 2023
Lodgement of Prospectus and Appendix 3B with ASX	4 September 2023
Ex date	7 September 2023
Record Date for determining Entitlements	8 September 2023
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	12 September 2023
Last day to extend the Closing Date	28 September 2023
Closing Date as at 5:00pm	3 October 2023
Options quoted on a deferred settlement basis	4 October 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Options	9 October 2023
Quotation of Options	10 October 2023
Last date for issue of Options under Shortfall Offer	Within 3 months from the date of this Prospectus
Issue date and lodgement of Appendix 2A with ASX applying for quotation under the Shortfall Offer	
Closing date of Shortfall Offer	

The above dates are indicative and may be subject to change. The Company reserves the right to amend this timetable subject to requirements of the Corporations Act and the ASX Listing Rules.

You should read the entire Prospectus carefully and seek professional advice before deciding whether to invest in the Offer. If you have any queries concerning the Offer, please contact your financial adviser or Patagonia Lithium's Company Secretary, Jarek Kopias, on 0418 823 574.

Phillip Thomas
Executive Chairman
Patagonia Lithium Ltd