



12 September 2023

Dear Shareholder

PATAGONIA LITHIUM LTD – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

As announced on 4 September 2023, Patagonia Lithium Ltd (ACN 654 004 403) (**Company**) is undertaking a non-renounceable entitlement offer of up to 14,641,250 listed Options (**Loyalty Option**) to raise up to approximately \$146,412 (**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.

About the Offer

Under the Offer, Eligible Shareholders (defined below) will have the opportunity to subscribe for one (1) Loyalty Option for every four (4) Shares held by Shareholders on the Record Date at an issue price of \$0.01 per Loyalty Option.

The Company will apply for quotation of the Loyalty Options, 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.

The Company intends to apply the funds raised from the Offer (less expenses) towards general working capital.

Eligible Shareholders

Eligible Shareholders (**Eligible Shareholders**) are those Shareholders of the Company who:

- a. are registered as a holder of Shares on the Record Date;
- b. have a registered address in Australia, New Zealand, People's Republic of China, Singapore and United Kingdom;
- c. are not in the United States and are not acting on the account or for the benefit of a person in the United States (to the extent such person holds Shares on the account or for the benefit of such person in the United States); and
- d. are eligible under all applicable securities laws to receive an offer under the Offer without any requirement for a prospectus or offer document to be lodged or registered.

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

The Company is making the Offer available to Eligible Shareholders only.

Eligibility to participate in the Offer

The Company has determined, pursuant to ASX Listing Rule 7.7.1 (a) and Section 9A(3) of the *Corporations Act 2001* (Cth), that it would be unreasonable to make offers to Shareholders in countries other than Australia, New Zealand, People's Republic of China, Singapore and United Kingdom in connection with the Offer, having regard to:

- a. the number of Shareholders with addresses in such other countries as a proportion of the total Shareholders in the Company;
- b. the number and value of Options for which such Shareholders would otherwise have been entitled; and
- c. the cost of complying with the legal and regulatory requirements in each other jurisdiction where the Offer would be made.

Accordingly, the Offer will not be made to Shareholders resident in the jurisdiction in which your shareholding is registered.

Ineligible Shareholders

The Company has determined that you do not satisfy the criteria for an Eligible Shareholder. Under the terms of the Offer, you are an Ineligible Shareholder and therefore you will not be able to subscribe for Loyalty Options under the Offer.

This purpose of this letter is to inform you about the Offer and to explain why you will not be able to subscribe for Loyalty Options under the Offer. This letter constitutes the notice that the Company is required to give each Ineligible Shareholder under ASX Listing Rule 7.7.1 (b) and section 9A(3)(b) of the *Corporations Act 2001* (Cth).

This letter is not an offer to issue Loyalty Options to you, nor an invitation for you to apply for Loyalty Options. You will not be sent documents relating to the Offer.

As the Offer is non-renounceable, you will not receive any payment or value for rights in respect of any Loyalty Options that would have been offered to you if you were an Eligible Shareholder.

You are not required to do anything in response to this letter.

Terms not defined in this letter have the same meaning given to them in the Company's Prospectus.

If you have any queries concerning this letter, please contact your professional adviser or Patagonia Lithium's Company Secretary, Jarek Kopias, on 0418 823 574.

Phillip Thomas
Executive Chairman
Patagonia Lithium Ltd