

24 July 2024

NOTICE OF 2024 SHAREHOLDER MEETING AND PROXY FORM

Patagonia Lithium Ltd (ASX:PL3, Patagonia or Company) refers to the notice of meeting and accompanying explanatory memorandum released to ASX on 24 July 2024 (together, the **Notice of Meeting**) in respect of a general meeting of the Company's shareholders (**Shareholders**) to be held on 23 August 2024 at 10:00am (AEST).

In reliance on section 253RA of the *Corporations Act 2001* (Cth), the Company will not be posting hard copies of the Notice of Meeting to Shareholders unless the Shareholder has given the Company notice in writing electing to receive documents in hard copy only. The Notice of Meeting can be viewed or downloaded from the Company's website or on the ASX announcements page at <https://patagonialithium.com.au/index.php/asx-announcements/> or at www.asx.com.au.

This announcement has been authorised for release to the ASX by the Board of the Company.

For further information please contact:

Phillip Thomas

Executive Chairman

Patagonia Lithium Ltd

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Our socials – [twitter@patalithium](#), [Instagram](#), [facebook](#), [pinterest](#) and [youtube](#)

Capital structure

58.6m - PL3 shares

5.5m - unquoted options

14.6m - PL3O quoted options

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

Board

Phil Thomas - Exec Chair

Rick Athon - NED

Sam Qi - NED

Jarek Kopias - Co Sec



PATAGONIA LITHIUM

Patagonia Lithium Ltd

ACN 654 004 403

NOTICE OF GENERAL MEETING

EXPLANATORY NOTES

PROXY FORM

Date of Meeting

Friday 23 August 2024

Time of Meeting

10:00am (AEST) (Melbourne time)

Place of Meeting

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

NOTICE OF 2024 GENERAL MEETING

Notice is hereby given that the 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 23 August 2024 at 10:00am AEST.

The business to be considered at the 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.

ORDINARY BUSINESS

Resolution 1 – Approval to issue Convertible Notes and Attaching Options

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an Ordinary Resolution:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, the issue of 165,000 Convertible Notes and 916,667 Attaching Options to Mr Phillip Thomas (or his nominee) (issued on the conversion of Convertible Notes) in accordance with the terms set out in the Explanatory Memorandum, be approved."

Resolution 2 – Ratification of issue of Convertible Notes

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an Ordinary Resolution:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 235,000 Convertible Notes to sophisticated, professional and institutional investors at an issue price of \$1.00 per Convertible Note (**Initial Raise**) in accordance with the terms set out in the Explanatory Memorandum, be ratified."*

Resolution 3 – Ratification of the agreement to issue 1,305,557 Attaching Options

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an Ordinary Resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, the agreement to issue up to 1,305,557 Attaching Options to sophisticated, professional and institutional investors upon the conversion of Convertible Notes issued under the Initial Raise in accordance with the terms set out in the Explanatory Memorandum, be ratified."

Resolution 4 – Approval to Issue 694,445 Broker Options

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an Ordinary Resolution:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of 694,445 Broker Options, on the terms set out in the Explanatory Notes, is approved."

VOTING INFORMATION, EXCLUSIONS AND PROHIBITIONS

The business of the Meeting affects your Shareholding and your vote is important.

Voting exclusions and voting restriction in relation to Resolution 1

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 1 by or on behalf of Mr Thomas, and any other person who will obtain a material benefit as a result of the issue of the Convertible Notes and Attaching Options pursuant to Resolution 1, and any of their respective Associates, except a benefit arising solely from their capacity as a holder of Shares.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair of the Meeting to vote on the Resolution as the Chair of the Meeting decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - o the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting exclusion in relation to Resolutions 2 and 3

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolutions 2 and 3 by or on behalf of a person who participated in the Initial Raise or is a counterparty to a Loan Deed or any of their respective Associates.

However, this does not apply to a vote cast in favour of Resolutions 2 and 3 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with directions given to the proxy or attorney to vote on the Resolutions in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolutions, in accordance with a direction given to the Chair of the Meeting to vote on the Resolution as the Chair of the Meeting decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - o the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting exclusion in relation to Resolution 4

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Copeak Pty Ltd and or nominee(s) (if known at the time of the Meeting) and any person who will obtain a material benefit as a result of the proposed issue of the Broker Options (except a benefit solely by reason of being a holder of Shares), or any of their respective Associates.

However, this does not apply to a vote cast in favour of Resolutions 4 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair of the Meeting to vote on the Resolution as the Chair of the Meeting decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - o the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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 Resolutions 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 this Resolution. This express authorisation acknowledges 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. The Company encourages shareholders to **appoint the Chairman of the Meeting as their proxy**.

Shareholders are encouraged to lodge their Proxy Forms online at <https://investor.automic.com.au/#/loginsah>.

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 10:00am AEST on 21 August 2024):

On-line: <https://investor.automic.com.au/#/loginsah>.

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 AEST on 21 August 2024. 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, 24 July 2024

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 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.

GENERAL BUSINESS

Resolutions 1: Approval of the issue of Convertible Notes and Attaching Options

Background

On 9 July 2024, the Company announced that it had received firm commitments to raise \$400,000 through the issue 400,000 Convertible Notes (up to 4,444,444 Shares will be issued on conversion of the Convertible Notes), through the entry into a loan and convertible note deeds (**Loan Agreement**), which provide for the issue of Convertible Notes convert to Shares at an issue price of \$0.09 (10% coupon rate and 6 month term), convertible at the election of the investor (**Initial Raise**). The conversion of Convertible Notes into Shares will entitle the holder to apply for up to 2,222,224 Options on a 1 for 2 basis - \$0.15 exercise price and 31 August 2025 expiry (**Attaching Options**), for nil additional consideration (**Convertible Note**).

Executive Chairman, Phillip Thomas has committed to \$165,000 in Convertible Notes (as part of the 400,000 Convertible Notes noted above). The issue of Convertible Notes to Mr Thomas is subject to Shareholder approval for the purpose of Listing Rule 10.11 and, pending the approval of Shareholders, is provided by way of an unsecured loan.

At the same time as announcing the issue of Convertible Notes, the Company announced a rights issue to raise \$1.75 million (entitlement to one new Share for every three Shares held at a price of \$0.09 with Attaching Options on a 1 for 2 basis) (**Rights Issue**). Funds raised from the Initial Raise and Rights Issue will be used to complete the current drill program in Argentina and prepare an updated Mineral Resource Estimate, progress the Company's Brazilian exploration program and for working capital purposes.

ASX Listing Rule Requirements

ASX Listing Rule 10.11 requires shareholder approval for the issue of equity securities to, among other defined persons, a Related Party of an entity, an Associate of a Related Party or a person who is (or was at any time in the last 6 months before issue) a substantial (30%+) holder in the entity.

Accordingly, Mr Thomas is a Related Party of the Company (by virtue of his position as a Director) and, therefore, Shareholder approval is being sought for the issue of a total of 165,000 Convertible Notes and 916,667 Attaching Options to Mr Thomas (or his nominated Associate/s) for the purpose of Listing Rule 10.11, on the terms set out below.

If approval of the issue of the Convertible Notes and Attaching Options is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 as per Listing Rule 7.2 exception 14, and the Convertible Notes and Attaching Options will be excluded in calculating the Company's 15% placement capacity in ASX Listing Rule 7.1 and 10% additional placement capacity in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the date of issue.

If Resolution 1 is passed, the Company will be able to issue Convertible Notes and Attaching Options to Mr Thomas (or his nominated Associate/s) at his election.

If Resolution 1 is not passed, the Company will be precluded from issuing the Convertible Notes and Attaching Options to Mr Thomas (or his nominated Associate/s) and will be required to repay the loan to Mr Thomas.

Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a financial benefit to a Related Party unless an exception applies or shareholders have, in a general meeting, approved the giving of that financial benefit to the Related Party. Mr Thomas is a Director and therefore a Related Party of the Company.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Convertible Notes and Attaching Options, pursuant to Resolution 1 on the basis that exception in section 210 of the Corporations Act applies as Mr Thomas is proposing to participate in the Initial Raise on the same terms as other investors under the Convertible Note issue.

ASX Listing Rules Disclosure

ASX Listing Rule 10.13 requires that the following information to be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 10.11:

Party	Mr Phillip Thomas or a nominated entity associated with Mr Phillip Thomas.
Relationship to the Company	A Director of the Company and, therefore, a person falling within category 10.11.1. of the Listing Rules and his Associates fall within Listing Rule 10.11.4.
Securities issued	The maximum number of Convertible Notes and Attaching Options to be issued to Mr Thomas (or nominee/s) is 165,000 Convertible Notes (converting into 1,833,333 Shares if elected by Mr Thomas) and 916,667 Attaching Options.
Terms	The material terms of the Convertible Notes loan agreement are detailed in Appendix 1 and Attaching Options are detailed in Appendix 2. Shares issued on conversion of the Convertible Notes and upon exercise of the Attaching Options will be fully paid ordinary shares and will rank equally in all respects with all other Shares on issue as at the date of their issue.
Date of issue	The Convertible Notes and Attaching Options are proposed to be issued as soon as practicable and in any event no later than 1 month after the Meeting, subject to any waiver or relief that ASX may grant to permit their later issue – conditional on Mr Thomas electing to convert the Convertible Notes.
Consideration	<p>The Shares, on exercise of Convertible Notes, will be issued for \$0.09 (9 cents) per Share, being the same issue price as all other Convertible Note investors. The Company will receive \$165,000 for the issue of the Shares.</p> <p>No funds will be raised upon the issue of Attaching Options as they will be issued for nil additional consideration. Funds will be raised upon the exercise of Attaching Options and will be used to progress the Company's exploration activities and for working capital purposes at that time.</p>
Material terms of agreement	Mr Thomas is proposing to participate in the Initial Raise on the same terms as other investors. The relevant Loan Agreement provided that the conversion price of the Convertible Notes was \$0.09 and included various conditions for an agreement of this sort as further detailed in Appendix 1.
Purpose	<p>The funds raised from the issue of Shares will be used to complete the current drill program in Argentina and prepare an updated Mineral Resource Estimate, progress the Company's Brazilian exploration program and for working capital purposes.</p> <p>The Attaching Options are being offered to participants in the Initial Raise for nil additional consideration in order to incentivise participation.</p>

Board Recommendation

The Directors, other than Mr Thomas due to his material personal interest in the issue of Convertible Notes and Attaching Options, recommend that Shareholders vote in favour of Resolution 1 and advise that that they intend to vote any Shares that they own or control in favour of Resolution 1.

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 1.

Resolutions 2 and 3: Ratification of the issue of 235,000 Convertible Notes and agreement to issue 1,305,557 Attaching Options

As noted in the explanatory notes to Resolution 1, the Company announced the Initial Raise of \$400,000, which included the issue of 400,000 Convertible Notes, 165,000 to a Director and 235,000 to sophisticated and professional investors. The issue of 165,000 Convertible Notes to the Director is subject to approval under Resolution 1. The remaining issue of 235,000 Convertible Notes was undertaken under the Company's placement capacity under Listing Rules 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 and Listing Rule 7.1A limit the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% and 10% respectively of the fully paid ordinary shares it had on issue at the start of that period.

The Convertible Notes issued to participants in the Initial Raise did not fall within an exception and were issued without Shareholder approval under the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.4 allows the shareholders of a listed company to subsequently ratify the previous issues of securities made without prior shareholder approval under Listing Rule 7.1, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under those rules. Resolution 2 is seeking this ratification.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and thus the Company is seeking ratification of the Shares issued pursuant to the Initial Raise by Resolution 2 and the issue of attaching Options pursuant to Resolution 3. The Company confirms that the issue and allotment of the Shares did not breach Listing Rule 7.1 at the date of issue.

If Resolutions 2 and 3 are passed, the Convertible Notes, Shares on conversion and Attaching Options issued pursuant to the Initial Raise will be excluded in calculating the Company's 15% Threshold in Listing Rule 7.1 and 10% Additional Placement Capacity limit in Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period following the date of issue.

If Resolutions 2 and 3 are not passed, the relevant issues will be included in calculating the Company's 15% Threshold in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12-month period following the date of issue.

For the purposes of Listing Rule 7.5, the following information is provided in respect of Resolutions 2 and 3:

Party/ Allottees	The Securities issued under the Initial Raise were issued to various professional and sophisticated investors selected by the Company in consultation with the Lead Manager. None of the allottees are Related Parties of the Company. No Director or any of their Associates have participated in or will receive any securities pursuant to Resolutions 2 and 3, however, as set out in elsewhere in this Explanatory Memorandum, Mr Phillip Thomas (a Director) may receive Convertible Notes, Shares and Attaching Options subject to the passing of Resolution 1.
Number of Securities to be issued	The Company will issue 235,000 Convertible Notes in July 2024 under the Initial Raise. The Convertible Notes are able to be converted to 2,611,111 Shares and 1,305,557 Attaching Options.
Material Terms of Options	The Convertible Notes are convertible or repayable at the election of the investor at a price of \$0.09 per Convertible Note. The material terms of the Loan Deed are detailed in Appendix 1. All Shares will, from their date of issue, rank equally with all other Shares on issue. The material terms of the Attaching Options are detailed in Appendix 2. The Shares issued upon the exercise of Attaching Options will be fully paid ordinary shares and will rank equally in all respects with all other Shares on issue as at the date of their issue.
Date of issue	The issue and allotment of the Convertible Notes to investors in the Initial Raise will occur in July 2024 and Shares on exercise of Convertible Notes, as soon as reasonably practicable following the Meeting and, in any event, within three (3) months of the date of the Meeting.

Price, Consideration	The Convertible Notes are issued for \$1.00 per Note and are able to be converted into Shares. Attaching Options will be issued for nil issue price on the conversion of Convertible Notes.
Purpose	The funds raised by the Initial raise will be used for the purposes outlined in the explanation under Resolution 1. Funds will be raised upon the exercise of Broker Options and will be used to progress the Company's exploration activities and for working capital purposes at that time.
Material terms of agreement	The relevant Loan Agreement provides that the issue price per Share is \$0.09 and that recipients would receive one Attaching Option for every two Shares issued, having the terms set out in Schedule 1 to this Explanatory Memorandum, issued for nil additional consideration and includes various other conditions usual for a placement of this sort.

Board Recommendation: The Directors recommend that Shareholders vote in favour of Resolutions 2 and 3 and advise that that they intend to vote any Shares that they own or control in favour of Resolutions 2 and 3.

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolutions 2 and 3.

Resolution 4: Approval to issue 694,445 Broker Options

On 9 July 2024, the Company announced that it had agreed, subject to Shareholder approval, to issue 694,445 Broker Options to Copeak Pty Ltd (or nominee/s) (Peak) in part consideration for the capital raising services provided by the Peak in relation to the Placement.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Exception 17 of ASX Listing Rule 7.2 provides that an agreement to issue equity securities that is conditional on the holders of the listed company's ordinary securities approving the issue before the issue is made shall be an exception to this prohibition, provided that if an entity relies on this exception the listed company must not issue the equity securities without such approval.

Resolution 4 seeks Shareholder approval for the issue of Broker Options to Peak for the purposes of ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to proceed with the issue Options to Peak. In addition, the Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of Broker Options to Peak.

In accordance with the requirements of Listing Rule 7.3 the following information is provided in respect of the Placement Options and Broker Options:

Party/ Allottees	Copeak Pty Ltd or its nominee(s). There are no Related Parties being issued Broker Options.
Number of Options to be issued	694,445 quoted options with an exercise price of \$0.15 each and expiry date of 31 August 2025.
Material Terms of Options	The material terms of the Broker Options are detailed in Appendix 1. The Shares issued upon the exercise of Broker Options will be fully paid ordinary shares and will rank equally in all respects with all other Shares on issue as at the date of their issue.
Date of issue	The issue and allotment of the Broker Options will occur as soon as reasonably practicable following the Meeting and, in any event, within three (3) months of the date of the Meeting.
Price, Consideration	The Broker Options will be issued for nil issue price as part of the consideration payable to Peak for capital raising services under the Lead Manager Agreement.
Purpose	No funds will be raised upon the issue of Broker Options as they will be issued for no additional consideration. Funds will be raised upon the exercise of Broker Options and

	will be used to progress the Company's exploration activities and for working capital purposes at that time.
Material terms of agreement	The relevant Lead Manager Agreement provided that the Company remunerate the lead manager via issue of Options in relation to services provided in managing the Placement and included various other conditions usual for a placement of this sort.

Board Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 4 and advise that that they intend to vote any Shares that they own or control in favour of Resolution 4.

The Chair of the Meeting intends to vote all undirected proxies in favour of Resolution 4.

Glossary

In the Notice of Meeting and Explanatory Notes:

10% Additional Placement Capacity means the Equity Securities issued under Listing Rule 7.1A.

AEST means Australian Eastern Standard Time (Melbourne time).

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited (ABN 98 008 624 691).

Attaching Options means up to 2,222,224 options with an exercise price of \$0.15 and expiry of 31 August 2025 proposed to be issued on conversion of Convertible Notes.

Board means the board of Directors of Patagonia.

Broker Options means 694,445 Options issued to Peak in connection with the Initial Raise with the same terms as Attaching Options.

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.

Convertible Notes means the convertible notes issued, or to be issued, by the Company which entitle the holder to acquire Shares in the Company at an issue price of \$0.09, and bear a coupon rate of 10% per annum.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Director means a director of the Company.

Equity Securities or **Securities** has the same meaning as in the Listing Rules.

Explanatory Notes means these explanatory notes.

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

Listing Rules and **ASX Listing Rules** means the listing rules of ASX.

Loan Agreement means the loan and convertible note deed between the Company and participants in the Convertible Note issue.

Meeting or **General Meeting** means the general meeting of Shareholders to be held at the offices of Moray & Agnew Lawyers on Friday 23 August 2024 at 10:00am AEST.

Member or **Shareholder** means each person registered as a holder of a Share.

Notice or **Notice of Meeting** means this Notice of General Meeting.

Option means an option to acquire a Share.

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.

Related Party has the meaning given to that term in the Corporations Act.

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

Loan Agreement

1. Loan Amount

- (a) Unsecured loan.
- (b) Interest accrues daily at an interest rate of 10% per annum from the date that the funds are advanced.

2. Repayment

- (a) All amounts owing will be repayable by the Company on or before 5:00pm AEST on 10 January 2025 (Maturity Date).
- (b) Subject to the Company receiving Shareholder approval, the Company may repay any amounts owing by issuing convertible notes (having a face value of \$0.09 per convertible note), together with one (1) attaching option for every two (2) convertible notes converted to Shares.
- (c) Where Shareholder approval is not obtained by 23 August 2024, all amounts owing will be repayable by the Company on or before 5:00pm AEST on the date that is 3 months after written notice requiring such repayment.

3. Conversion

- (a) The Company may, at any time before the Maturity Date, convert any convertible notes issued into Shares, which shall secure repayment for the amount of the face value.
- (b) Shares issued upon conversion will, from their date of issue, rank equally in all respects with all Shares as at the date of conversion.
- (c) The full face value of all outstanding Convertible Notes that have not been converted or otherwise repaid will be repayable on or before 5:00pm AEST on the Maturity Date.

4. Terms of the Convertible Notes

- (a) The Convertible Notes issued will not confer any rights to attend, participate in or vote at Shareholders' meeting or any rights to dividends.
- (b) The Company may amend the Convertible Notes in such manner as may be necessary to comply with the Listing Rules.
- (c) The Convertible Notes are transferable with the prior written consent of the Company.

Appendix 2

Terms of Attaching Options and Broker Options

Exercise Period and Expiry Date

The Options are exercisable at any time on a Business Day prior to 5:00pm (Sydney time) on 31 August 2025 (**Expiry Date**). Options not exercised by that date will lapse.

Exercise Price

Each Option entitles the holder with the right to be issued one Share on payment of the sum of \$0.15 per Option (**Exercise Price**) to the Company.

Notice of Exercise

Option holders will receive an exercise notice at the same time that they receive a holding statement in respect of the Options (**Exercise Notice**).

Option holders may not exercise less than 100,000 Options at any one time, unless the Option holder has less than 100,000 Options, in which case they may do so provided they exercise all Options then held.

Options may be exercised at any time prior to 5:00pm (Sydney time) on the Expiry Date by delivering a duly executed Exercise Notice to the Company, together with payment for the aggregate Exercise Price for the Options being exercised.

Options will be deemed to have been exercised on the date that the Company has received the aggregate Exercise Price (in cleared funds) in respect of the Options exercised in accordance with the Exercise Notice.

Shares Issued on Exercise of Options

Shares to be issued pursuant to the exercise of Options will be issued following receipt of all the relevant documents and payments (in cleared funds) and will rank equally with the then issued Shares.

Shares issued pursuant to the exercise of Options will have the same rights and liabilities as the Company's existing Shares on issue as at the date of the exercise of the Options. The full details of the rights attaching to Shares are set out in the Company's Constitution.

If the holder of any Options exercises less than the total number of Options registered in their name, the Company will provide the holder of any Options with a new holding statement stating the remaining number of Options registered in that holder's name, together with a new exercise notice.

Quotation of Options and Shares on Exercise

The Company has applied to the ASX for Quotation of the Options.

An Application will also be made at the time of the exercise of any Options for Quotation of the Shares to be issued upon exercise of Options.

The holder of any Options may transfer some or all of their Options in any manner authorised by the ASX or the Corporations Act.

Participation or Entitlements

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of securities offered to Shareholders during the term of the Options, except in their capacity as existing Shareholders.

Bonus Issues

If, prior to the expiry of the Options, the Company makes a bonus issue of Shares to Shareholders for no consideration, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the relevant record date for the bonus issue.

Pro-Rata Issue

If, from time to time, before the expiry of the Options, the Company makes a pro-rata issue of Shares to shareholders, the exercise price of the Options may be amended in accordance with ASX Listing Rule 6.22.2.

Capital reorganisation

If there is a reorganisation of the issued capital of the Company (including any consolidation, subdivision, reduction, or return of capital), the rights of the Option holders shall be changed to the extent necessary to comply with the ASX Listing Rules at the time of the reorganisation.

Your proxy voting instruction must be received by **10.00am (AEST) on Wednesday, 21 August 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au/>

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+61 2 9698 5414 (Overseas)

