



PATAGONIA LITHIUM

PATAGONIA LITHIUM LTD ACN 654 004 403

REPLACEMENT PROSPECTUS

Proposed ASX Code: PL3

By this Prospectus, Patagonia Lithium Ltd ACN 654 004 403 (**Company**) invites investors to apply for up to 40,000,000 Offer Shares at an issue price of \$0.20 per Offer Share to raise up to \$8,000,000 (before costs).

The Offer made by this Prospectus is conditional upon ASX admitting the Company to the Official List of the ASX and granting Official Quotation of the Shares in the Company, subject to the satisfaction of such terms and conditions prescribed by the ASX Listing Rules, as well as other conditions detailed in this Prospectus.

The Offer is scheduled to close at 5.00 pm (AEDT) on 5 December 2022 unless extended or withdrawn. Applications must be received before that time to be valid.

IMPORTANT NOTICE

Applicants should read this Prospectus in its entirety before deciding to apply for Offer Shares. If, after reading this Prospectus, you have any questions about the Offer, you should contact your professional advisors.

There are risks associated with an investment in the Company and the Offer Shares offered under this Prospectus are to be regarded as a speculative investment.

Please refer to Section 6 of this Prospectus (Risk Factors) for the risk factors associated with the Offer.

Lead Manager

Pamplona Capital Pty Ltd

ACN 150 332 700

A Corporate Authorised Representative
of Symmetry Group Pty Ltd

ACN 159 449 368 (AFSL 426 385).





CONTENTS

Important Notice	3
Letter from the Board	6
Section 1 Investment Overview	7
Section 2 Company and Projects Overview	22
Section 3 Details of the Offer	32
Section 4 Board and Corporate Governance	40
Section 5 Industry Overview	50
Section 6 Risk Factors	54
Section 7 Financial Information	63
Section 8 Independent Limited Assurance Report	71
Section 9 Independent Technical Assessment Report	75
Section 10 Argentinian Independent Solicitor's Report	107
Section 11 Material Contracts	123
Section 12 Additional Information	128
Section 13 Director's Authorisation	131
Section 14 Glossary of Terms	132
Section 15 Application Form	135
Corporate Directory	137

IMPORTANT NOTICE

GENERAL

This replacement prospectus (**Prospectus** or **Replacement Prospectus**) is dated 24 November 2022 and was lodged with the ASIC on that date. This Prospectus replaces the original prospectus dated 10 November 2022 (**Original Prospectus**).

Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus.

It is important that you read this Prospectus carefully and in full before deciding to subscribe for Offer Shares. If, after reading this Prospectus, you have any questions about the Offer, you should contact your stockbroker, solicitor, accountant or professional adviser.

There are risks associated with an investment in the Company and the Shares offered under this Prospectus are to be regarded as a speculative investment. Please refer to Section 6 of this Prospectus for details relating to investment risks.

REPLACEMENT PROSPECTUS

The material differences between the Original Prospectus and this Prospectus are as follows:

- Section 2.2.1 of this Prospectus and the Independent Technical Assessment Report contained at Section 9 of this Prospectus removes references to sampling having been undertaken by the Formentera Project Vendor at the Formentera Project.
- The Independent Technical Assessment Report contained at Section 9 of this Prospectus removes references to the Company's geologists reporting existence of copper mineralisation at the Tomas III Project.
- The Argentinian Independent Solicitor's Report contained at Section 10 of this Prospectus makes clarifications that the Company can perform surface exploration activities at each the Formentera Project, Cilon Project and Tomas III Project with respect to any mineral based on the current EIAs approved by the relevant authority.

The Company retracts the above-mentioned from the Prospectus in order to provide investors with complete and accurate information on the Projects that could be relied upon. Investors cannot rely upon the additional information on the Formentera and Tomas III Projects disclosed in the Original Prospectus because:

- The sampling techniques undertaken and data extracted on the Formentera Project by the Formentera Project Vendor and its geologist does not satisfactorily meet the requisite criteria under the JORC Table 1. For example, the Company is not satisfied of the quality and assay data and laboratory tests because i) there is no standard analysis to compare the analysis to at the lab, ii) a second lab analysis was not provided, and iii) there was no security profile from sampling at the Formentera Project to the laboratory. Furthermore, the report on the sampling at the Formentera Project was not presented by a Competent Person.
- There was no sampling or other exploration activities undertaken at the Tomas III Project. Whilst undertaking a structural geology inspection of the Tomas III Project, the reporting geologist identified one copper rock chip sample which was not collected or analysed for copper oxide content. Further evaluation is required to determine the mineralised zones (if any) and proper QA/QC sample procedures followed.

CONDITIONAL OFFER

The Offer is subject to and conditional upon the ASX granting the Company Admission to the Official List of the ASX and Official Quotation of the Shares.

EXPIRY DATE

No securities will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

INVESTMENT ADVICE

This Prospectus does not take into account your financial circumstances, financial objectives or particular needs (including your financial or taxation issues). Therefore, this Prospectus does not constitute investment advice. You should obtain professional investment advice before subscribing for Offer Shares under this Prospectus.

ADDITIONAL COPIES OF PROSPECTUS

Additional copies of this Prospectus are available at the registered office of the Company.

The Corporations Act prohibits any person from passing onto another person an Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus.

Any person may obtain a hard copy of this Prospectus during the Offer Period free of charge by contacting the Company Secretary of the Company, Jaroslaw (Jarek) Kopias, via email at jarek@kopias.com.au.

A copy of this Prospectus can be downloaded from the website of the Company at <https://www.patagonialithium.com.au/>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

Please note that no document or information included on our website is incorporated by reference into this Prospectus.

COMPANY WEBSITE

The Company retracts all erroneous information and materials contained on earlier versions of its website, specifically:

- The Company is not and has previously never been publicly listed and trading on any other securities exchanges.
- The Company does not have and has previously never had any technology partnerships or arrangements with any third parties.
- The Company's exploration program is set out at Section 2 of this Prospectus, which does not include drilling 10 holes at the Formentera Project.

The Company advises that investors should only rely upon information and materials contained on its current version of its website <https://www.patagonialithium.com.au/>

RESTRICTIONS ON OFFER

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia and the Offer is not an offer or invitation in any jurisdiction where, or to any person whom, such an offer or invitation would be unlawful.

APPLICATION FORMS

Applications for Offer Shares can only be made pursuant to the Application Form attached to and forming part of this Prospectus. Please refer to the application form included at the back of this Prospectus for further details regarding online applications. The Corporations Act prohibits any person from passing the Application Form to any other person unless it is attached to, or accompanied by, a complete and unaltered version of the Prospectus.

The Application Form contained in this Prospectus contains a declaration that the Applicant has personally received the complete and unaltered Prospectus prior to completing the Application Form.

EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of seven (7) days from the date of this Prospectus. This period may be extended by a further seven (7) days by ASIC. The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with Section 724 of the Corporations Act.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period and will receive no preference.

PRIVACY

If you apply for Offer Shares you will provide personal information to the Company and the Share Registry. This enables your Application to be assessed, you to be registered as the holder of Shares, you to be entered in the Company's register of members and to enable the Company to contact you. The Company may from time to time be required to disclose your personal information to the Australian Taxation Office, other government agencies or as required by law. The Company and the Share Registry may disclose your personal information to its agents and service providers as authorised by the *Privacy Act 1988* (Cth) or for purposes required by the ASX Listing Rules or the Corporations Act. You may access your personal information by contacting the Share Registry and may request corrections to such personal information.

FORWARD LOOKING STATEMENTS

Various statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way implicitly portrayed within this Prospectus. These risks, uncertainties and other factors include, but are not limited to, the matters described in Section 6 of this Prospectus (Risk Factors). The Company gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward looking statements will be achieved. Except to the extent required by law, the Company has no intention to update or review forward looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

FORECAST FINANCIAL INFORMATION

On Admission, the Company will be a junior mining and exploration company however not yet placed to undertake production on the Projects until further development and investment is undertaken. As such, any forecasts of future revenue will be uncertain, reflecting the speculative nature of mineral exploration, production and development. Given these uncertainties, the Directors consider that reliable forecasts cannot be prepared and therefore no forecasts have been included in this Prospectus.

STATEMENTS OF PAST PERFORMANCE

This Prospectus includes information regarding the past performance of the Company's group, including but not limited to the financial information included in Section 7 of the Prospectus. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

DEFINITIONS

Please refer to the Glossary in Section 14 of this Prospectus for terms and abbreviations used in parts of this Prospectus.

RISKS

Prospective investors should carefully consider whether the Shares are an appropriate investment for them. The Shares should be regarded as a speculative investment, and there are significant risks associated with an investment in the Company. The Shares carry no guarantee whatsoever with respect to the future value of the Shares, payment of dividends or return on capital invested. Potential investors should refer to Section 6 (Risk Factors) for details regarding risks.

COMPETENT PERSON'S STATEMENT

The information in this Prospectus that relates to the Project, is based on and fairly represents information and supporting documentation prepared by Phillip Thomas.

Phillip is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and a Member of the Australian Institute of Geoscientists (MAIG). He is also a Director and member of the Australasian Institute of Mineral Valuers and Appraisers and a Certified Mineral Valuer (MAIMVA(CMV)). He has over 20 years of experience in lithium brines in Argentina covering valuation, exploration and production and more than 35 years as a exploration geologist. He has more than 20 years' experience relevant to the style of mineralisation (lithium brines) under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Phillip consents to the inclusion in this Prospectus of the matters based on information compiled by him in the form and context in which it appears.

MISCELLANEOUS

The financial amounts in this Prospectus are expressed in Australian dollars unless stated otherwise. Items displayed in photographs in this Prospectus are not necessarily assets owned by the Company. The inclusion of photographs supplied by persons or entities other than the Company does not constitute an endorsement or recommendation by those persons or entities of Offer Shares offered under this Prospectus. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

All reference to time relate to the time in Victoria, Australia unless otherwise stated.

LEAD MANAGER

Pamplona Capital Pty Ltd ACN 150 332 700, a Corporate Authorised Representative of Symmetry Group Pty Ltd ACN 159 449 368 (AFSL 426 385), shall provide the services of the Lead Manager in connection with the Offer.

The Lead Manager has not authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Prospectus and there is no statement in this Prospectus that is based on any statement made by it or by any of its affiliates, officers or employees. To the maximum extent permitted by law, the Lead Manager and its affiliates, officers, employees and advisors expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to its name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

LETTER FROM THE BOARD

Dear Investor,

Welcome to the Prospectus of Patagonia Lithium Ltd ACN 654 004 403 (**Patagonia** or **Company**). On behalf of the Board of Patagonia, it is my pleasure to offer you the opportunity to become a shareholder in the Company.

Offer

The Company is seeking to raise up to \$8,000,000 (before costs) through the issue of up to 40,000,000 Shares at an issue price of \$0.20 per Share.

The Company has entered into Subscription Agreements with strategic Cornerstone Investors to commit to subscribe for up to \$3,000,000 (before costs) through the issue of 15,000,000 Shares. Subject to completion occurring under the Subscription Agreements, the amount to be raised under the Offer shall reduce to \$5,000,000 (before costs). In the event that completion does not occur under the Subscription Agreements, then the Company reserves the right to raise \$8,000,000 (before costs) under the Offer.

Background

The Company was formed in 2021 to carry out the acquisition, exploration and development of lithium mining projects.

Over late 2021 and early 2022, Patagonia entered into agreements to acquire 100% interest in three (3) Argentinian mining exploration projects – the Formentera Project, the Cilon Project and the Tomas III Project (**Projects**) –

situated in the Provinces of Salta and Jujuy, Argentina which are considered prospective for lithium, borates and/or base metals. Investors should note that the Projects do not currently have any mineral resources or reserves as defined under the JORC Code.

Upon successful completion of the Offer, the Company intends to expand upon its exploration activities at its Projects shortly thereafter and will focus on defining exploration targets, and eventually a resource as defined under the JORC Code. However, there can be no assurance that the Company's exploration of its Projects will result in the discovery of a significant exploration target or resource as defined under the JORC Code.

The Company's Projects are analysed in greater detail within Section 2 (Company and Projects Overview) and Section 9 (Independent Technical Assessment Report) of this Prospectus. I encourage you to closely read the information and analysis of the Company's Projects throughout these sections of the Prospectus.

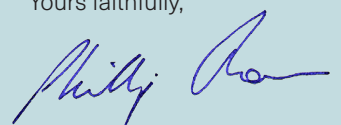
Risks

This Prospectus contains detailed information about the Company, the Projects it owns, and the risks of participating in a speculative investment of this nature including but not limited to risks related to the fact that the Projects do not currently have any exploration targets or resources as defined under the JORC Code. The Board recommends that investors read this Prospectus carefully and in its entirety before making an investment decision. In particular, please refer to Section 6 (Risk Factors) for information concerning the risks of an investment in the Company.

The Offer is conditional on the Offer Amount being raised and the ASX granting the Company Admission to the Official List of the ASX and Official Quotation of the Shares.

On behalf the Board, I look forward to welcoming you as a shareholder of the Company.

Yours faithfully,



Phillip Thomas
EXECUTIVE CHAIRMAN

On behalf of the Board of Directors

1 INVESTMENT OVERVIEW

The following is a summary only and is not intended to be comprehensive. Prospective investors should read the full text of this Prospectus and if you are uncertain about any matter, you should consult your professional advisors before making an investment decision.

1.1 PURPOSE OF THE PROSPECTUS

The purpose of this Prospectus is to:

- a) facilitate the Company's Admission to the Official List of the ASX; and
- b) to raise up to \$8,000,000 (before costs) pursuant to the Offer, in order to assist the Company in meeting its commercial and mining exploration objectives, which include:
 - ▢ cash payments payable to the Project Vendors for acquisition of the Projects;
 - ▢ funding exploration and evaluation activities on the Projects;
 - ▢ providing funds for general working capital purposes; and
 - ▢ paying the costs and expenses associated with the Offer.

1.2 SUMMARY OF THE OFFER

This Prospectus provides investors with the opportunity to participate in the initial public offering of the Offer Shares in the Company.

1.2.1 The Offer

KEY OFFER STATISTICS	OFFER AMOUNT (\$8M)
Offer Price	\$0.20 per Share
Shares offered under Prospectus ¹	40,000,000 ¹
Shares on issue as at the date of this Prospectus	15,440,000
Total Shares on issue at completion of the Offer	55,565,000
Total cash proceeds to the Company from the Offer	\$8,000,000
Market capitalisation at completion of the Offer ²	\$11,113,000 ²

- ¹ A total of 15,000,000 Shares have been committed to be subscribed for by Cornerstone Investors pursuant to the Subscription Agreements entered into with the Company. If completion occurs under the Subscription Agreements, then 25,000,000 Shares shall be offered under the Offer. Please refer to Section 11 of this Prospectus (Material Contracts) for further information on the Subscription Agreements and the terms and conditions thereunder.
- ² Calculated as the total number of Shares on issue on completion of the Offer multiplied by the Offer Price.

1.2.2 Key Dates*

Original Prospectus lodged with ASIC	10 November 2022
Exposure Period ends (unless extended)	17 November 2022
Replacement Prospectus lodged with ASIC	24 November 2022
Offer Opening Date and Prospectus released to market	25 November 2022
Offer Closing Date	5 December 2022
Expected Allotment Date of Offer Shares	13 December 2022
Expected dispatch of Holding Statements	14 December 2022
Official Quotation of Offer Shares	19 December 2022

- * Please note that the dates set out in the above timetable may be varied in accordance with the Corporations Act, and, where required, in consultation with ASX. These dates are indicative only and are subject to change. The Company reserves the right to vary the dates without prior notice.

1.3 OVERVIEW OF THE COMPANY AND THE OFFER

The following is a summary only and is not intended to be comprehensive. Prospective investors should read the full text of this Prospectus and if you are uncertain about any matter you should consult your investment adviser before making an investment decision.

ITEM	SUMMARY	FURTHER INFORMATION
1) Company		
Who is the issuer of this Prospectus?	Patagonia Lithium Ltd ACN 654 004 403 (Company).	Section 2
What does the Company do?	The Company is an unlisted Australian public company limited by shares which was incorporated on 27 September 2021. The Company has entered into the Option Agreements with the Project Vendors to acquire, via its wholly-owned Argentinian subsidiary (Patagonia Lithium Argentina S.A.), 100% interest in and title to the Projects, namely: 1 the Formentera Project; 2 the Cilon Project; and 3 the Tomas III Project. The Company has exercised its option to acquire the Formentera Project and the Cilon Project on, respectively, 19 April 2022 and 22 October 2022. The Company shall exercise its option to acquire the Tomas III Project on or prior to the option expiry date (30 November 2022). The Formentera Project and the Cilon Project are situated in the Province of Jujuy, Argentina. The Tomas III Project is situated in the Province of Salta, Argentina. The Projects are considered prospective for lithium, borates and/or base metals. The Company has and intends to undertake further exploration, evaluation and assessment of the Projects.	Section 2
Business ownership structure	The Company has one (1) wholly-owned subsidiary in Argentina which shall acquire 100% interest in and title to the Projects at Admission.	Section 2

ITEM	SUMMARY	FURTHER INFORMATION
Share capital structure of the Company	As at the date of this Prospectus the Company has 15,440,000 Shares on issue held as follows: a) 11,490,000 Shares are held by the Company's founders, promoters, Directors, professional advisers, and/or key management personnel (or their associates), constituting 74.42% of the Company's total Shares currently on issue; b) 3,950,000 Shares are held by third party seed capitalists, constituting 25.58% of the Company's total Shares currently on issue. The Company is offering up to 40,000,000 Offer Shares under this Prospectus which equates to 71.99% of the issued share capital of the Company following completion of the Offer (assuming none of the Options are exercised). <i>Note: A total of 15,000,000 Shares have been committed to be subscribed for by Cornerstone Investors pursuant to the Subscription Agreements entered into with the Company. In the event that completion does not occur under the Subscription Agreements, then the Company reserves the right to issue 40,000,000 Offer Shares under the Offer. Please refer to Section 11 of this Prospectus (Material Contracts) for further information on the Subscription Agreements and the terms and conditions thereunder.</i> <i>For information on the Company's capital structure following completion of the Offer, please refer to Section 1.6 of this Prospectus. For a summary of the key rights attaching to Shares, please refer to Section 3.9 of this Prospectus.</i>	Sections 1.6, 3, 11
Cornerstone Investors	The Company has entered into Subscription Agreements with strategic Cornerstone Investors to commit to subscribe for up to \$3,000,000 before costs through the issue of the total of 15,000,000 Shares, specifically: a) 10,000,000 Shares to Fuyang Mingjin New Energy Development Co., Ltd; b) 3,750,000 Shares to Southeast Mingqing Supply Chain (Fuyang) Co. Ltd on 10 October 2022; and c) 1,250,000 Shares to Certane Ct Pty Ltd ACF Richlink High-Tech Investment Trust. The Company has the right to immediately terminate the Subscription Agreements by written notice if the Cornerstone Investors fail to pay the funds to the Company's nominated bank account in cleared funds by 18 November 2022. Subject to completion occurring under the Subscription Agreements, the amount to be raised under the Offer shall reduce to \$5,000,000. In the event that completion does not occur under the Subscription Agreements, then the Company reserves the right to raise \$8,000,000 (before costs) under the Offer.	Section 11.9

ITEM	SUMMARY	FURTHER INFORMATION
Options on issue in the Company	As at the date of this Prospectus the Company has issued the total of 3,500,000 Options to its founders, promoters, Directors and/or key management personnel (or their nominee(s)) to acquire Shares, each exercisable at \$0.27 with an expiry date of 3 years from their issue date. Following completion of the Offer, the Company will also issue the Lead Manager (or its nominees) 2,000,000 unquoted Options to acquire Shares pursuant to the Lead Manager Mandate. Such Options shall be exercisable at \$0.27 and have an expiry date of 3 years from their issue date <i>For information on the Company's capital structure following completion of the Offer, please refer to Section 1.6 of this Prospectus. For a summary of the key terms of issue of the Options please refer to Section 3.10 of this Prospectus.</i>	Sections 1.6, 3, 11
Terms of the acquisitions	Pursuant to the Option Agreements entered into between the Company and, respectively, the Project Vendors (as mutually varied in writing) regarding each of the Projects, the Company via its wholly-owned Argentinian subsidiary (Patagonia Lithium Argentina S.A.) shall acquire the Projects from the Project Vendors in consideration for: 1 the Formentera Project: > option fee: US\$100,000 paid on around 24 December 2021; and > option exercise deferred cash payment: US\$2,000,000 payable within ten (10) business days after 30 November 2022. 2 the Cilon Project: > option fee: US\$35,000 paid on around 27 June 2022; and > option exercise deferred cash payment: US\$165,000 payable within ten (10) business days after 30 November 2022. 3 the Tomas III Project – > option fee: US\$100,000 paid on around 29 December 2021; > option extension fee: US\$13,000 paid on around 12 September 2022; > option exercise cash payment: US\$340,000 payable within ten (10) business days after 30 November 2022 following the Company's mandatory exercise of the option; and > option exercise share issuance: 125,000 ordinary shares (at a deemed issue price of A\$0.20 per share) issuable within ten (10) business days after 30 November 2022 following the Company's mandatory exercise of the option. <i>For more information on the Option Agreements, please refer to Section 11 of this Prospectus (Material Contracts).</i>	Section 11

ITEM	SUMMARY	FURTHER INFORMATION
2) Business Model		
What will be the Company's principal activities after Admission?	Following successful completion of the Offer, the Company will focus on exploration, evaluation and assessment of the Projects. This will include the following principal activities: - conducting systematic exploration activities with the aim of discovering a mineral brine deposit; - following discovery, delineating a JORC Code compliant mineral resource estimate on the mineral deposit; and - undertaking economic and technical evaluation and assessments in line with standard industry practice. <i>Please refer to Section 2.3 of the Prospectus for further information in relation to the proposed exploration program on the Projects.</i> Notwithstanding that the Company intends to pursue the exploration activities on the Projects as outlined above, there is no guarantee that such exploration will result in the Company discovering mineral resources that are economically recoverable. Investors should note that there are no JORC Code compliant Defined Mineral Resources currently defined on the Projects.	Section 2
How will the Company generate income?	The Company does not currently generate income and is a mining exploration company. As such, the Company will not establish income until it can establish that minerals exist at the Projects and that such minerals (if any) are commercially recoverable and can be mined and sold. The Company may generate income by a sale of its assets and/or obtaining royalties from the Projects. Investors should note that there is no guarantee that the Company will be able to generate income from the abovementioned activities.	Section 2

ITEM	SUMMARY	FURTHER INFORMATION
What are the key dependencies of the Company's business model?	No assurance can be given that the Company will achieve commercial viability through exploration and development activities and/or future mining undertaken on its Projects. Given the Company will be an exploration company following Admission, it is unlikely to make money or generate income in the short term from its exploration activities. Until the Company is able to realise value from the Projects or future mining activities conducted on the Projects, the Company is likely to incur ongoing operating losses. Key dependencies of the business model outlined above include: • the Company's ability to attract and retain employees and key management personnel with appropriate technical qualifications; • all necessary licences and regulatory approvals being secured and maintained; • successful exploration and development of the Projects; • the market price of lithium remaining higher than the Company's costs of any future production (assuming successful exploration and feasibility studies by the Company); and • sufficient worldwide demand for lithium, borates and/or base metals.	Section 2
3) Directors and Key Management Personnel		
Who are the directors of the Company?	The directors of the Company are: - Mr Phillip Thomas (Executive Chairman); - Mr Paul Boyatzis (Non-executive Director); and - Mr Gino D'Anna (Non-executive Director). <i>Please refer to Section 4.1 of this Prospectus for profiles of each director. Details of the securities holdings of each director are set out in Section 4.3 of this Prospectus.</i>	Section 4
Who is the Company Secretary?	Mr Jaroslaw (Jarek) Kopias is the Company Secretary. <i>Please refer to Section 4.2 of this Prospectus for Mr Kopias' profile.</i>	Section 4

1.4 KEY RISK FACTORS

Investing in shares involves substantial risks. The key risks as listed in the table below are not exhaustive and an investment in the Company should be considered speculative. Before making an investment decision, potential investors should read the entire Prospectus. Investors should give full consideration to the detailed discussion on the risks that are associated with, and which could affect the financial performance of, an investment in the Company, as set out in Section 6 of this Prospectus (Risk Factors).

In addition, please refer to the Independent Technical Assessment Report in Section 9 of this Prospectus for more information concerning the geological information concerning the Projects, and to the Argentinian Independent Solicitor's Report contained in Section 10 of this Prospectus for more information and explanations concerning the legal matters associated with the Projects.

RISK FACTORS	SUMMARY	FURTHER INFORMATION
Limited history	The Company was incorporated on 27 September 2021 and therefore has limited operational and financial history on which to evaluate its business and prospects. The Company has limited data available with respect to its Projects upon which Applicants can base their evaluation of the Company's prospects. Hence, the prospects of the Company must be considered given the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mining industry sector, which has a high level of inherent risk and uncertainty attached to it. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its various Projects. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.	Section 6
Investment in Argentina	Patagonia Lithium Argentina S.A. is incorporated in Argentina and the Projects are located in Argentina. Patagonia Lithium Argentina S.A.'s operating activities are subject to risks normally associated with the conduct of business in foreign countries specifically Argentina. Risks pertaining to Argentina may include, among other things, earthquakes and severe weather conditions, labour disputes, corruption, uncertain political and economic environments, civil disturbances and crime, arbitrary changes in law or policies, opposition to mining from environmental or other nongovernmental organisations or changes in political attitudes towards mining activities, infrastructure and increased financing costs.	Section 6
Mineral resources	Investment in an exploration company is inherently speculative and risky. There is no guarantee the Company will discover mineral resources that are economically recoverable. Furthermore, the results of future exploration may not reflect the Company's understanding of the potential mineralisation at each of the Projects. Whilst the Company has internal technical resources and will engage independent experts to provide further geological and technical information, there is insufficient information at this point in time to establish whether further exploration will result in the determination of an economic mineral resource.	Section 6
Additional capital requirements	Exploration costs and pursuit of the Company's business plan may require additional capital, and, if such additional capital is not obtained, the Company's scope of operations may be reduced or activities scaled back.	Section 6

RISK FACTORS	SUMMARY	FURTHER INFORMATION
Pandemic and other public health risks	The ongoing COVID-19 pandemic and any other possible future outbreaks of viruses may have a significant adverse effect on the Company. The spread of such diseases amongst the Company's management, employees, contractors, suppliers and logistic networks, as well as any health-related government-imposed quarantine and isolation requirements, may reduce the Company and have detrimental financial implications. More broadly, the Company may be affected by the macroeconomic effects and ensuing financial volatility resulting from the COVID-19 pandemic and any other possible future outbreaks of viruses/disease. While the final effects of any pandemic are difficult to assess, it is possible that it will have a substantial negative effect on the economies where the Company operates in and could have an adverse effect on the Company and operating position.	Section 6
Exploration and development risks	Mineral exploration and development is a high-risk and speculative undertaking. Such undertaking may be hampered by force majeure events, land claims, unforeseen mining and/or mechanical problems. Increased costs, lower output or high operating costs may all contribute to make output or high operating costs may all contribute to make a project less profitable than expected at the time of the development decision. There is no assurance that the Company's current or planned processing activities will continue or commence, as applicable, as expected.	Section 6
Tenure and title risk	The Company's mining and exploration activities are dependent upon the maintenance of its mining assets which the Company has or acquires an interest. Maintenance of the Company's mining assets is dependent on, among other things, the Company's ability to meet the licence conditions imposed by the relevant authorities including payment of canon fees and complying with the legal labour, legal survey and working and investment plan requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. If insufficient funds are available to satisfy expenditure commitments or the Company is unable to meet any further obligations imposed on the Projects, then the Company may forfeit its title to or interest in some or all of the Projects. The current status of the Projects and applicable Argentinian law is outlined in the Argentinian Independent Solicitor's Report contained in Section 10 of this Prospectus. There is no guarantee that the Projects or future acquired tenements located in Argentina and/or applications for the Projects or future acquired tenements located in Argentina will be approved by the relevant authority.	Sections 6, 10

RISK FACTORS	SUMMARY	FURTHER INFORMATION
Environmental Impact Assessment	The Company's mining and exploration activities on the Project or future acquired tenements located in Argentina is dependent on the Company obtaining and maintaining valid Environmental Impact Assessments (EIAs) on each of the Projects approved by the relevant authorities. EIAs are required to be updated with the relevant authorities every two (2) years. As at the date of this Prospectus, the EIAs that would permit the Company to undertake the mining exploration activities (as set out in the Use of Funds Table at Section 2.6 of this Prospectus) for: • the Formentera Project and the Cilon Project are current and valid; and • the Tomas III Project is pending approval. If the Company is unable to obtain, maintain or update valid EIAs on the Projects or future acquired tenements located in Argentina, then the Company will not be able to undertake mining and exploration activities. If the Company undertakes mining and exploration activities without the relevant valid EIA, then this will likely result in fines and warnings being imposed by the relevant authorities (or even possible loss of title). The current status of the EIAs for the Projects is outlined in the Argentinian Independent Solicitor's Report contained in Section 10 of this Prospectus. There is no guarantee that EIAs for particular work programmes proposed for the Projects or future acquired tenements located in Argentina will be approved by the relevant authority.	Sections 6, 10
Limitations to immediate exploration activities	Pursuant to the relevant laws, the Company is able to perform surface exploration activities (sampling, geophysics, geochemistry and other desktop studies including reports and mapping) at each the Formentera Project, the Cilon Project and the Tomas III Project with respect to any mineral including lithium, borates and base metals based on the EIAs approved by the relevant authority. However, pursuant to the relevant laws, the Company is not permitted to undertake further exploration activities (for example, drilling and hydrology) at the Formentera Project, the Cilon Project and the Tomas III Project without the respective EIAs approved by the relevant authority which specifically sets out the proposed work plan for exploration of lithium. EIAs permitting such exploration at each the Formentera Project, the Cilon Project and the Tomas III Project have been submitted with the relevant authority however have not yet been approved. Therefore, the Company can currently undertake all the exploration activities in the proposed exploration program set out at Section 2 of this Prospectus except for drilling at the Tomas III Project. The Company will be able to undertake drilling at the Tomas III Project upon approval of the corresponding EIA by the relevant authority. The Company has reason to believe that this will likely be approved by the relevant authority prior to the Company's Admission.	Sections 2, 6, 10

RISK FACTORS	SUMMARY	FURTHER INFORMATION
Grant of Concession Application	As at the date of this Prospectus, the Cilon Project has a concession application awaiting grant by the relevant authority (Concession Application). There is a risk that the pending concession application for the Cilon Project will not be granted, which may be as a result of a number of factors including delays and issues with the grant process under local Argentinian law. There is no guarantee that the Concession Application, future applications for the Projects and/or future acquired tenements will be approved.	Sections 6, 10
Contract risk	The Company's interest in the Projects is held via 100% legal or beneficial shareholding interest (through the Company's wholly owned Argentinian subsidiary (Patagonia Lithium Argentina S.A.) pursuant to the Option Agreements. The Company's legal or beneficial ownership of the Projects is subject to and dependant on the counterparties' adherence to the Option Agreement generally, and specifically to the Project Vendors transferring good legal title to the Projects to the Company's Argentinian Subsidiary upon completion. There is a risk despite the Company fulfilling its obligations to the Project Vendors, the Project Vendors may each fail to properly effect a legal transfer of the interest in the Projects to the Company's Argentinian Subsidiary. In such circumstances, the Company will assert its full legal rights under the Option Agreements to protect its interests in the Projects.	Sections 6, 10
Infrastructure risk	Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Unusual or infrequent weather phenomena, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations of the Company.	Section 6
Commodity pricing and technology risk	The commercial prospects of the Company (if exploration success is achieved) is dependent principally upon the demand for lithium. This demand is mainly a function of the demand for lithium as a component of electrical batteries. Battery technology is a rapidly advancing field and there is a risk that the demand for this commodity may change as a result of technological changes in this sector. Such changes may reduce the demand and therefore the price of lithium as a component of batteries which in turn will have significant impact upon the commercial prospects of the Company.	Section 6
Key personnel	The Company is heavily reliant on key personnel. Loss of key personnel could cause significant disruption to the Company's activities and development.	Section 6
Equipment and availability	The Company's ability to undertake mining and exploration activities on the Projects is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.	Section 6
Exchange risk	The expenditure of the Company is and will be in Australian, United States and Argentine currencies, exposing the Company to fluctuations and volatility of the rates of exchange between the Australian dollar, United States dollar and Argentine peso as determined in international markets.	Section 6

1.5 KEY FINANCIAL INFORMATION

TOPIC	SUMMARY	FURTHER INFORMATION
Are there any forecasts of future earnings?	There are no forecasts of future earnings of the Company provided in this Prospectus. As the Company is a mining exploration company, its activities are inherently uncertain. Therefore, the Directors believe that they do not have a reasonable basis to forecast future earnings.	Section 7
Will the Company have sufficient funds for its activities?	In the Board's opinion, upon the successful completion of the Offer, the Company will have sufficient funds to pursue its activities for a further two (2) years. <i>For more information, please refer to the Use of Funds Table in Section 2.6 and Financial Information in Section 7 of this Prospectus.</i>	Sections 2.6, 7
What is the financial outlook for the Company?	As the Company is an exploration company its financial outlook is uncertain. The Company is unlikely to generate income in the short term from its mining exploration activities. Until the Company is able to realise value from the Projects or future mining activities conducted on the Projects, the Company is likely to incur ongoing operating losses.	Sections 2, 7
Will the Company pay dividends	The Board anticipates that significant expenditure will be incurred in the evaluation and development of the Projects. These activities are expected to dominate at least, the first two (2) years following Admission. Accordingly, the Company does not expect to declare any dividends during that period.	Sections 2.8, 7

1.6 CAPITAL STRUCTURE FOLLOWING THE OFFER

Shares

The effect of the Offer on the Company's share capital structure is set out below.

SHAREHOLDER		Offer Amount (\$8M)	
		NO. OF SHARES	PERCENTAGE (%)
Founders	10 Bolivianos and associates ¹	3,200,000	5.76
	Others ²	1,500,000	2.70
Seed Investors	10 Bolivianos and associates ³	5,790,000	10.42
	Pamplona ⁴	1,000,000	1.80
	Others	3,950,000	7.11
Subtotal⁷		15,440,000	27.79
Offer Shares ⁵		40,000,000	71.99
Tomas III Vendor ⁶		125,000	0.22
Subtotal⁸		40,125,000	72.21
Total Shares on Admission		55,565,000	100

Notes / Assumptions:

- 1 Founders (10 Bolivianos and associates) includes: 10 Bolivianos Pty Ltd, Mr Conor Daley, Mr Ali Mohammed Parvez Ukani.
- 2 Founders (Others) includes: Gurtan Pty Ltd (an associate of Mr Phillip Thomas), Pug Communications Limited and Cubiczan LLC.
- 3 Seed Investors (10 Bolivianos and associates) includes: 10 Bolivianos Pty Ltd and Mr Ali Mohammed Parvez Ukani.
- 4 Seed Investors (Pamplona) includes: Pamplona Opportunities Ltd and Pamplona Capital Pty Ltd.
- 5 Offer Shares includes: Shareholders offered and taken up subscription for 40,000,000 Shares. Of this amount, a total of 15,000,000 Shares have been committed to be subscribed for by Cornerstone Investors pursuant to the Subscription Agreements entered into with the Company. Please refer to Section 11 of this Prospectus (Material Contracts) for further information on the Subscription Agreements and the terms and conditions thereunder.
- 6 Tomas III Vendor is entitled to be issued Shares as part consideration under the Tomas III Option Agreement.
- 7 Subtotal of Shares on issue as at the date of this Prospectus.
- 8 Subtotal of Shares proposed to be issued between the date of this Prospectus and the date of Admission.

Options

The effect of the Offer on the Company's option capital structure is set out below.

OPTIONHOLDER		NO. OF OPTIONS	PERCENTAGE (%)
Options on issue at completion of the Offer			
Executive Chairman	Phillip Thomas	1,500,000	27.27
Non-executive Directors	Lesuer Pty. Ltd.< PMB Super Fund A/C> ¹	1,000,000	18.18
	Gino D'Anna <The Internatzionale A/C>	1,000,000	18.18
Lead Manager (and/or its nominees) ²		2,000,000	36.36
Total Options on Admission³		5,500,000	100

Notes / Assumptions:

- 1 Lesuer Pty. Ltd is an associated entity of Mr Paul Boyatzis.
- 2 The Lead Manager (and/or its nominees) is entitled to be issued 2,000,000 unquoted Options upon the Company's Admission, with each Option having an exercise price of \$0.27 and a 3-year expiry from the issue date.
- 3 The terms and conditions attached to the Total Options on Admission are summarised at Section 3.10 of this Prospectus.

1.7 ANSWERS TO KEY QUESTIONS

TOPIC	SUMMARY	MORE INFORMATION						
What is being offered?	This Prospectus invites investors to apply for up to 40,000,000 Offer Shares at an issue price of \$0.20 per Share to raise up to \$8,000,000 (before costs). The Offer will be open to investors with registered addresses in Australia and other investors to whom it is lawful to make an offer to pursuant to this Prospectus. <i>Note: A total of 15,000,000 Shares have been committed to be subscribed for by Cornerstone Investors pursuant to the Subscription Agreements entered into with the Company. In the event that completion does not occur under the Subscription Agreements, then the Company reserves the right to issue 40,000,000 Offer Shares under the Offer. Please refer to Section 11 of this Prospectus (Material Contracts) for further information on the Subscription Agreements and the terms and conditions thereunder.</i>	Sections 3, 11						
What is the Offer Price?	The Offer Price is \$0.20 per Offer Share.	Section 3						
Is the Offer underwritten?	No, the Offer is not underwritten.							
What are the key dates of the Offer?	The Offer closes on 5 December 2022. The Offer Shares are expected to be allotted on 13 December 2022. Holding statements for the Offer Shares are expected to be dispatched on 14 December 2022. The Shares are expected to commence trading on ASX on 19 December 2022.	Section 1.2						
What will the market capitalisation of the Company be upon Admission?	Based on the Offer Price of \$0.20 per Share, the anticipated market capitalisation of the Company on admission is as follows: <table><tr><th colspan="2">OFFER AMOUNT (\$8M)</th></tr><tr><td>Total Shares</td><td>55,565,000</td></tr><tr><td>Market Capitalisation</td><td>\$11,113,000</td></tr></table>	OFFER AMOUNT (\$8M)		Total Shares	55,565,000	Market Capitalisation	\$11,113,000	Section 1.2
OFFER AMOUNT (\$8M)								
Total Shares	55,565,000							
Market Capitalisation	\$11,113,000							
Will the Shares issued under the Offer be listed?	The Company will apply to the ASX for Official Quotation of all Shares issued under the Offer as required under the Corporations Act, under the ASX Code, “PL3”.	Section 3						
Is there a minimum investment amount under the Offer?	Applications for Offer Shares must be for a minimum of 10,000 Offer Shares, representing \$2,000.	Section 3						
Are there any conditions to the Offers?	The Offer is conditional on: a) the ASX granting the Company Admission to the Official List of the ASX and Official Quotation of the Shares; and b) the Company raising the Offer Amount. If any of these conditions are not met, the Offer will not proceed and Applicants’ Application monies will be returned without interest.	Section 3						

TOPIC	SUMMARY	MORE INFORMATION
What are the rights and liabilities attaching to the Shares issued under the Offer?	All Offer Shares issued under the Offer will rank equally in all respects with existing Shares on issue. <i>For a summary of the material rights and liabilities attaching to the Shares issued under the Offer, please refer to Section 3.9 of this Prospectus.</i>	Section 3.9
Are there any restrictions on securities?	The Company anticipates that escrow restrictions will apply to the following Shares: • 7,696,500 Shares held by the Company's promoter (or associates thereof) seed capitalists will be escrowed for 24 months from the date of quotation on the ASX; • 1,240,000 Shares held by the Company's professional advisers and consultants (or associates thereof) will be escrowed for 24 months from the date of quotation on the ASX; • 2,475,000 Shares held by the Company's third party seed investors will be escrowed for 12 months commencing on the date on which the Shares were issued; and • 125,000 Shares held by the Project Vendors will be escrowed for 12 months commencing on the date on which the Shares were issued. 13,750,000 (out of a total of 15,000,000) Shares committed to be subscribed for by Cornerstone Investors (pursuant to the Subscription Agreements entered into with the Company) are subject to voluntary escrow for the period of 12 months commencing the date of Admission. <i>Please refer to Section 11 of this Prospectus (Material Contracts) for further information on the Subscription Agreements and the terms and conditions thereunder.</i> The Company confirms its 'free float' (the percentage of Shares that are not restricted and are held by Shareholders who are not related parties (or their associates) of the Company) at the time of Admission will not be less than 20%, in compliance with ASX Listing Rule 1.1 Condition 7. The Company's 'free float' will be approximately 51.7% based on the Offer Amount (assuming no related parties of the Company or their associates participate in the Offer and the Cornerstone Investors are allotted the Shares committed to be subscribed for under the Subscription Agreements entered into with the Company). The Shares issued upon the exercise of the Options held by Company's Directors and the Lead Manager will be subject to an escrow period of 24 months from the date of the Company's quotation on the ASX.	Sections 3.15, 11
How will the proceeds of the Offer be used?	The Offer proceeds will be used for: a) cash payments payable to the Project Vendors for acquisition of the Projects; b) funding exploration and evaluation activities on the Projects; c) providing funds for general working capital purposes; and d) paying the costs and expenses associated with the Offer. <i>For more information on the intended allocation of funds raised under the Offer, please refer to Section 2.6 of this Prospectus.</i>	Section 2.6

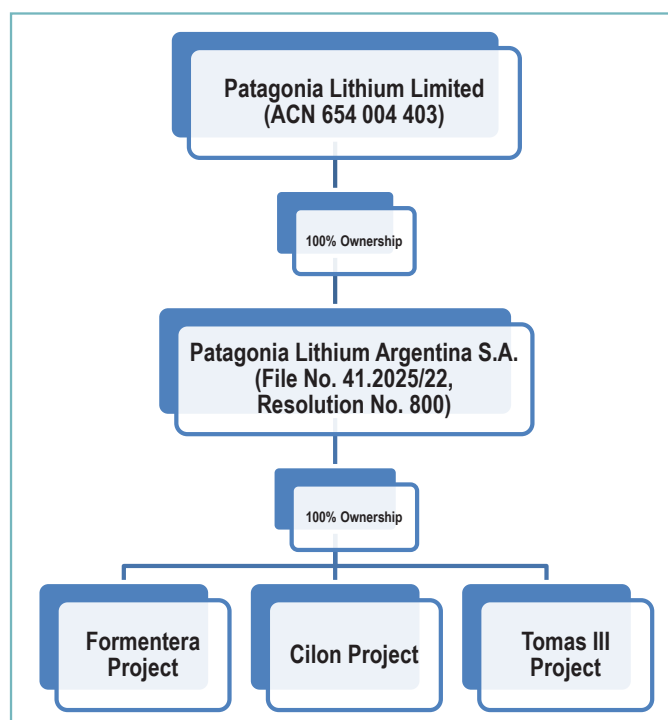
TOPIC	SUMMARY	MORE INFORMATION
What are the tax implications of purchasing Shares under this Offer?	The taxation consequences of an investment in Offer Shares, including the acquisition and disposal of Shares, will depend on the circumstances of each Applicant. Section 3.13 of this Prospectus provides a general summary of the potential Australian tax implications of participating in the Offer. It is the responsibility of each Applicant to be satisfied as to the taxation treatment that applies to each investment. Persons who are considering making an investment in the Company should seek independent professional advice with respect to the tax consequences arising from such an investment.	Section 3.13
How do I apply for Shares?	You can apply for Offer Shares by submitting a valid Application Form contained within or accompanying this Prospectus (including the electronic version of the Prospectus) in accordance with the instructions contained therein.	Section 3
What is the allocation policy?	The Company, in conjunction with the Lead Manager, will determine the basis for the allocation of Offer Shares	Section 3
When will I receive confirmation that my Application has been successful?	Holding Statements confirming Applicants' allocations of Offer shares are expected to be dispatched to Shareholders on 14 December 2022.	Section 1.2
How can I obtain further information?	You can obtain further information from: • your accountant, solicitor, stockbroker or other independent professional financial adviser; • the Share Registry, Automic Group on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) in relation to the Application process; • the Company Secretary via email at jarek@kopias.com.au; or • the Lead Manager on brent@pamplonagroup.com.au or steve@pamplonagroup.com.au in relation to the Offer. If you require additional copies of the Prospectus, you should contact the Share Registry at 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 9:00am and 5:00pm AEDT from Monday to Friday or via email at hello@automic.com.au. If you are unclear in relation to any matter, or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional advisor before deciding whether to invest.	

2 COMPANY AND PROJECTS OVERVIEW

2.1 COMPANY BACKGROUND

The Company is an unlisted Australian public company limited by shares, which was incorporated on 27 September 2021. The Company owns 100% legal and/or beneficial interest in the share capital in Patagonia Lithium Argentina S.A. Patagonia Lithium Argentina S.A. is a private company registered in and governed by the laws of Argentina. Patagonia Lithium Argentina S.A. was incorporated on 13 June 2022 for the purpose of being the Company's local vehicle for its business operations in Argentina and holding title to the Projects and/or future acquired tenements located in Argentina.

Upon Admission, the Company will have a corporate structure as outlined below:



2.2 OVERVIEW OF PROJECTS

At Admission, the Company shall have acquired the Projects via its wholly-owned Argentinian Subsidiary (Patagonia Lithium Argentina S.A.), which together comprise various Argentinian mining exploration projects – the Formentera Project, the Cilon Project and the Tomas III Project, pursuant to the Option Agreements. The Projects are summarised in the below table.

Based on the previous limited exploration and studies conducted on the Projects, the Company considers that the areas covered by the Projects may be prospective for lithium, borates and/or base metals.

The information in this Section 2 is based on information compiled by Mr Phillip Thomas. Phillip is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and member of the Australian Institute of Geoscientists (MAIG) and the Australasian Institute of Mineral Valuers and Appraisers. He has over 20 years' experience that is relevant to the style of mineralisation (lithium brines) under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Phillip consents to the inclusion in this Prospectus of the matters based on information compiled by him in the form and context in which it appears.

For further information on the Company's Projects, please refer to the Independent Technical Assessment Report located at Section 9 of this Prospectus.

2.2.1 Formentera Project

Summary

The Formentera Project is the Company's flagship project, and is considered by the Company to be prospective for lithium and/or borates. It is located in the municipality of Coranzuli in the Jujuy province.

For the Formentera Project (File #518-P-2006 in the Administrative Court of Minas de Jujuy) an application with an environmental base line study has been lodged for an exploration licence and drill program in the Susques department, Jujuy Province, northwest of the Argentina. It is located in one of the largest depressions of the Puna, which forms one of the largest salar basins covering more than 500sqkm in north-western Argentina.

The concession area is approximately 1,752 hectares and is located in an area dominated by clastic and saline sedimentation and is approximately 15km southwest from the Jama salar owned by Litica SA who acquired it from LSC Lithium in 2019. Locally it is located west of the Sierra de Lina, between the Jama lagoon to the north and Bayo de Archibarca Hill to the south. The Paso salar that contains Formentera and Cilon is surrounded by concessions owned by Lake Resources (ASX:LKE) and others. The project is at 4,150m above sea level.

The Formentera Project is in the same regional area as the Jama salar (7,500 has) – partially owned by Litica SA, it is 20km to Olaroz Chico at Olaroz Salar that covers approximately 75sqkm – (Orocobre/Allkem), Cauchari salar 280sqkm, Arizaro salar (1,200 sqkm) and Incahuasi salar (150 sqkm).

Climate

The climate is typical of a continental, cold, high altitude desert, with resultant scarce vegetation. Solar radiation is intense, especially during the summer months of October to March. The high evaporation rates in the Puna are an important aspect of commercial production, with solar concentration of Li and K in brine taking place prior to chemical processing to produce lithium and potash compounds

Regional and Local Geology

The region consists of sediments and leptometamorphites of Ordovician age that are strongly deformed. These deposits contain two predominant rock types, the Complejo volcánico de la Puna (volcaniclastic turbidites interspersed with tuffs and andesitic lavas) and Complejo Turbitico de la Puna (sandstones and pelites of marine slope environment). The Eocene deposits correspond to the Subgroup Santa Barbara to the Salta Group's derift basin. The most outstanding feature is its Cenozoic orogenic volcanism, constituted by stratovolcanoes and volcanic domes of andesitic and dacitic composition and volcanic calderas, with large dimensions associated with ignimbritic flows. These volcanic rocks are interspersed with continental tertiary sinorogenic deposits that developed in intermontane basins; most of the volcanic products are endorheic (closed basin), culminating with evaporitic deposits. The Ordovician basin of northwestern Argentina, recorded a succession of tectonic-stratigraphic events represented by the Iruya phases in the Late Upper Cambrian, Tumbaya in the Tremadociano and Ocloya in the Ashgillian. The tectonic and /or eustatic nature of the first two phases are extensional, while the Ocloya Phase exhibits clear evidence of compressive tectonics. The evolution of the system of Andean thrusts in the region was marked by the structures generated during the Cretaceous tectonics, by the geometry of the sinrift deposits, and by the lithological and structural anisotropies of the Paleozoic basement. The tectonic inversion created geometries of structures and trajectories of thrusts with more complex characteristics than the systems of folded strips of stratified sequences without prior structuring, such as the northern subandean system. During the lower Miocene, there was a cycle of progressive decrease of the inclination of the subduction zone, which was accompanied by an important expansion of the magmatic arc Miocene towards the foreland. This expansion did not occur homogeneously, but rather was concentrated along corridors preferential, which controlled volcanism in the retroarc region.

The Jama Salar is located approximately 10km north of the Formentera salar which has been extensively studied by various listed company owners. Both salars are in the same basin regional structure. About 122 volcanoes with Holocene eruptions exist in the Andean Volcanic Belt, including Ojos del Salado which with a height of 6,887 metres (22,595 ft) is the highest volcano in the world. Many of these volcanoes are covered by snow and ice. A number of supervolcanoes exist in the Central Volcanic Zone, they are part of the Altiplano-Puna volcanic complex. This is the source of the lithium as well as brines released from basaltic magmas.

2 COMPANY AND PROJECTS OVERVIEW

The Puna Plateau is easily accessible via the asphalted national road N°52. The geomorphology of the Puna Plateau consists of a series of flat basins separated by low hills, quite different from the wide, perfectly flat Altiplano Plateau further north. The most spectacular of these high-altitude basins is the Salinas Grandes, a vast salt flat that extends over 120km².

The Puna Plateau is itself a geological curiosity. Together with the Altiplano, it is the second largest high plateau after Tibet. It extends over 180,000km² between northern Argentina and Chile and has an average altitude of more than 4,200m. This exceptional elevation is due to an anomalously thick crust (~80km), the result of Cenozoic shortening of the western margin of South America. The detailed geological processes leading to the development of the plateau are not known, but it probably results from complex interactions between tectonics, arc magmatism, and crustal melting, coupled with geomorphological processes specific to dry climates.

Salar Geology

The salt basin has a number of quaternary ridges made up of fine dark coloured clays with significant amounts of detrital quartz and slate/siltstone on the surface which appears to have been transported from elsewhere under turbulent erosion conditions being a combination of winds and water currents and possibly from the end of the glacial period some 15,000 years ago. The salt in the basin area is showing evidence of capillary evaporation which is typical of these types of deposits where there is a clay or other impervious layer up to 400m below the surface allowing the lithium to concentrate in the aquifers.



Figure 1 The quartz fragments and siltstone can be seen on the quaternary ridge on the side of the salar, with white salt evaporated on the surface derived from leaching of volcanics.



Figure 2 Phillip Thomas taking a sample of the surface water in a depression that borders part of the Formentera basin salar.



Figure 3 The quaternary ridge can be seen here looking to the east and a pond that has formed from ground water or aquifer activity close to the surface. The pond water has been analysed for its composition.

Road Access

The property is accessed by paved National Route 52 which runs along the eastern edge of the salar and then onward to the Chilean border crossing approximately 25km to the northwest of the salar. This paved road goes directly to the Chilean Deep Ports of Atacama, Mejillones, and Iquique.

The Cilon and Formentera minas are only about one kilometre from the sealed bitumen highway. Travel from Cateo is a dirt road until it intersects with the highway. The Formentera salar is approximately 43km from Cateo. It can be accessed from the Cauchari salar or from Olacapato Grande, which is on a highway.

In the northern part of the salar there is a fresh water recharge area which was noted approximately 4km from the southern end of the salar. This fresh water will have a lower density and evaporate very quickly due to the arid conditions.

Location Map

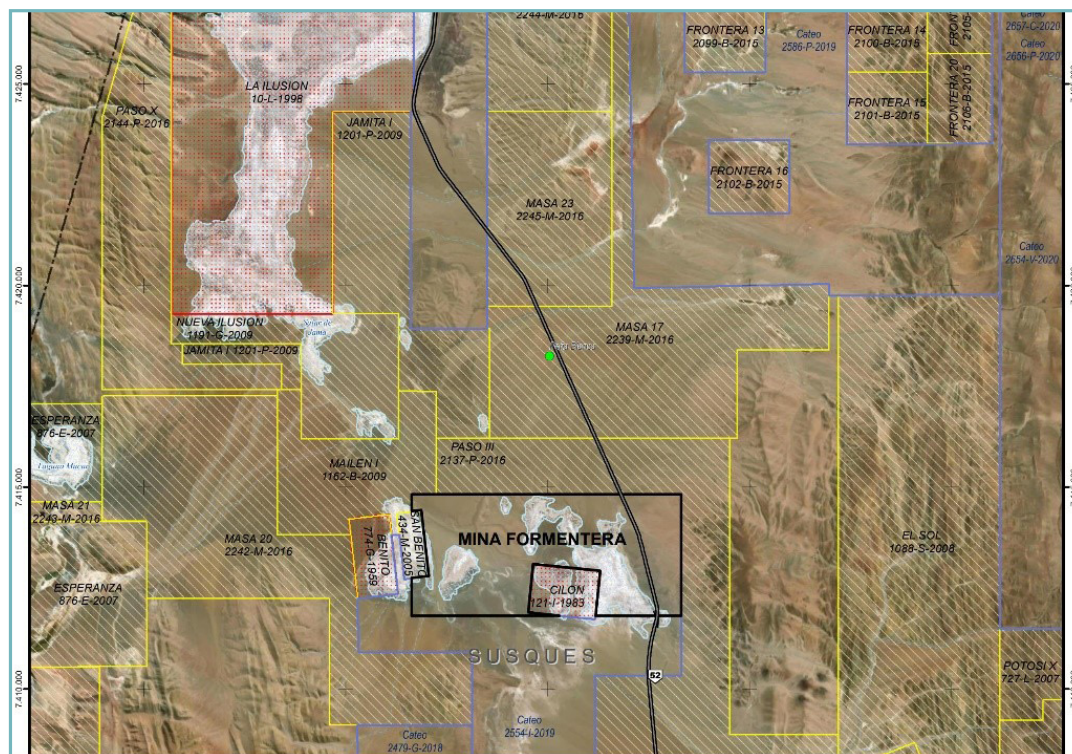


Figure 4 The Formentera and Cilon properties are outlined in bold, with Highway 51 to the west of the project. The yellow hashed areas are declared Minas, and the blue areas are exploration licences (cateos).



Figure 5 Photo of Formentera salar which covers an area of 1525 hectares.

2.2.2 Cilon Project

Summary and Geography

The Cilon Project (File #121-I-1983 in the Judicial Mining Court of the Jujuy province), located in the Susques department, Jujuy Province, northwest of Argentina, has currently an exploration permit in force for borate. In addition, the title holder has requested an extension for lithium exploration activities which runs at the Mining Authority through File No. 0655-117-2022 DPMY RE. In the past, the borate mine which is adjacent to the Formentera prospect has been mined for ulexite, a boron mineral. Locally it is located west of the Sierra de Lina, between the Jama lagoon to the north and Bayo de Archibarca hill to the south.

The concession area is located on the southern boundary of Formentera in one of the wide depressions of the Puna, which forms one of the major salar basins of the regional geology of northwestern Argentina. The concession area is approximately 199 hectares and is located in an area dominated by clastic and saline sedimentation.

Geology

The geology is the same as that of Formentera exploration licence that is adjacent.

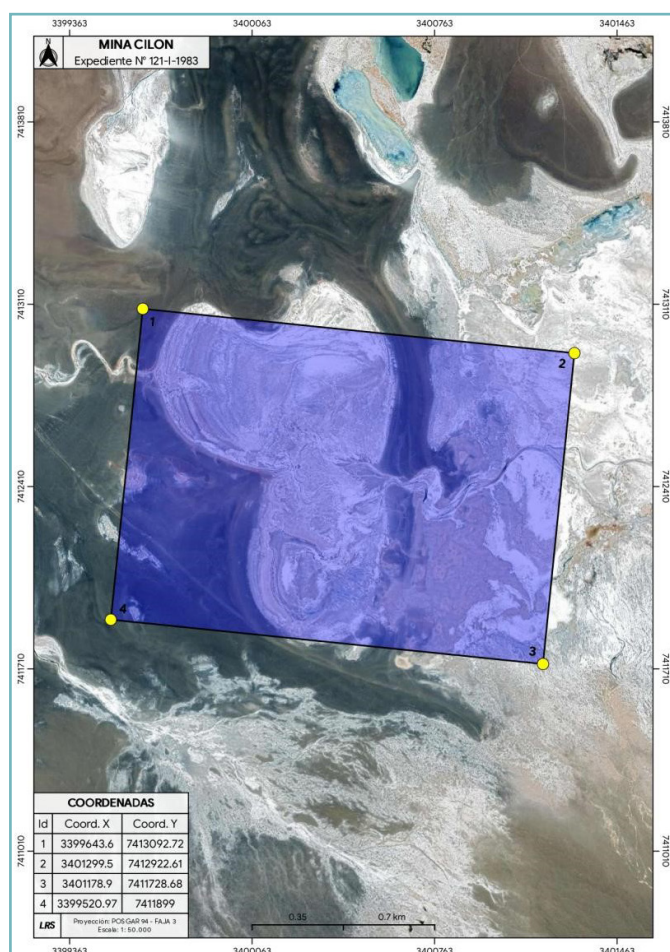


Figure 6 Map showing the Cilon Project. Pillows of Ulexite were observed on the surface during the Company's October visit.



Figure 7 The quartz fragments and siltstone can be seen on the edge of the salar, with white salt evaporated on the surface derived from leaching of volcanics. Executive Director and Geologist Phillip Thomas inspecting the geology in high winds.

2.2.3 Tomas III Project

Summary and Geography

The Tomas III Project (File #24,142 of the Mining Court of Salta) is located adjacent to the Incahuasi salar and includes a mining licence granted in the Tolar Grande department, Salta Province, northwest Argentina, being potentially prospective for lithium and/or base metals. The concession area is approximately 571.5403 hectares and is located in an area dominated by volcanics and sits about 300-600m above the surface of the salar. Locally, it is located east of the Incahuasi Salar on the foot hills of the volcanic cone and delta area that leads into the salar. Incahuasi Salar is located close to the Arizaro Salar to the south, that covers 1,600sqkm and the Pocitos Salar to the northeast which is up to 10km wide and 60km in length. REMSa (Recursos Energéticos y Mineros de Salta, S.A.) has the concession adjacent to Tomas III and Power Minerals Ltd (ASX:PNN) is adjacent to REMSa on the salar.

Regional and Local Geology

The Incahuasi Salar is located in a North-South tectonic basin formed by extensional stress in the last 2 million years. The salar is limited to the west by the Calalaste Range which is formed by the Cortaderas Chicas Sedimentary-Volcanic Complex. This unit of Ordovician age consists of folded sedimentary, volcanoclastic and acid volcanic rocks.

Fossiliferous turbidites from middle to upper Ordovician outcrop to the north and the east of the salar. These rocks form the Falda Cienaga Formation and the upper sedimentary portion of the Cortaderas Chicas Complex. The turbidite unit is overlain

unconformably by Permian red beds of the Patquia de la Cuesta Formation. Fluvial sandstones, siltstones and conglomerates of Eocene age, called the Geste Formation, cover this unit.

The tectonic basin of the Salar continues to the south but it was filled by distal pyroclastic flows of the Cerro Blanco Complex of Pleistocene age. To the north, the basin is covered by recent fluvial and eolic sediments form the salars and lowlands.

The Incahuasi Salar stretches 17km north-south and extents 2.5-5km east to west, but it is divided in a north and in a south portion. The North portion is a flat zone, partially covered with superficial water, at an altitude of 3270m. There are crusts of NaCl and ulexite.

The South portion is a terrigenous salar, with sand and clays and NaCl and Na sulphates. The topography of this portion is not flat as the northern one. It starts at 3270m and reaches 3276m at the south end. At both the north and south the basin continues but is covered with fine sediments and pyroclastics flows of the Cerro Blanco Complex, respectively. These covered areas may also have brines and aquifers at depth.

Road

The road to Incahuasi salar is a dirt road that is accessed from the village of Tolar Grande where approximately 120 people reside and there are a number of explorers present such as Ganfeng, Power Minerals, and Allkem.

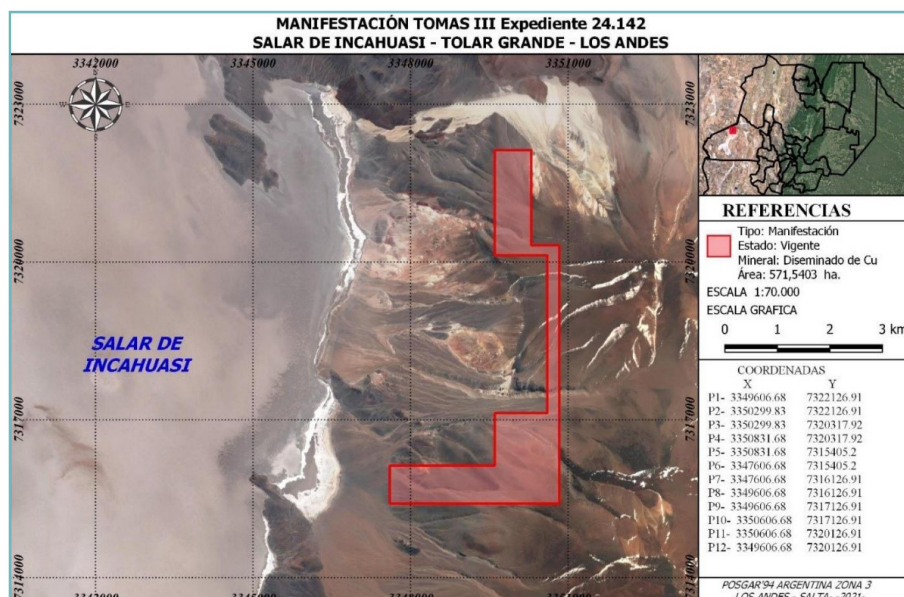


Figure 8 Concession map of Tomas III.

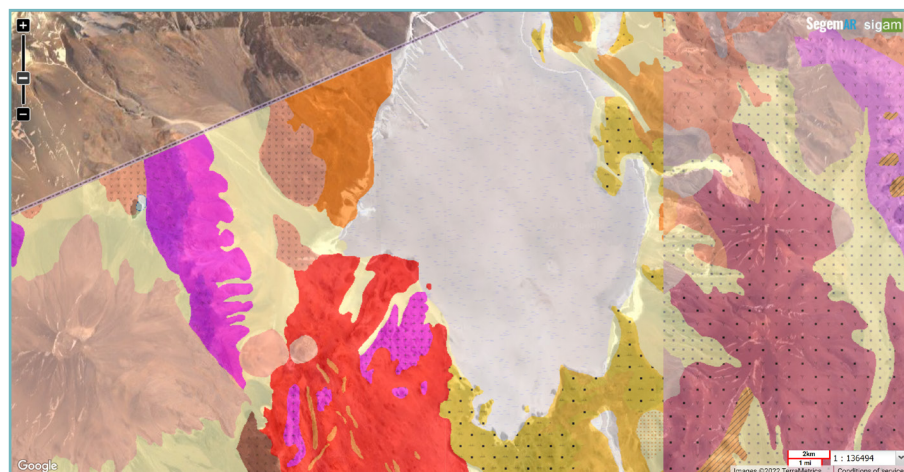


Figure 9 Lithological map of Tomas III showing volcano (LHS) and surface alluvials and ignimbrites on concession.



Figure 10 Photo of the salt sediments in the foreground and slopes of the volcanics where Tomas III mine area is located. Current thinking is the aquifers extend under the fluvial sediments and have higher porosity in some cases than the centre of the salar that has lower porosity.

2.3 PROPOSED EXPLORATION BUDGET

The table below outlines the current estimates of expenditure to be incurred in relation to exploration activities proposed to be undertaken by the Company on the Projects during the next two (2) years.

Further details on the exploration programs and budgeted expenditures are also outlined in the Independent Technical Assessment Report included in Section 9 of this Prospectus.

EXPLORATION EXPENSES	YEAR 1 BUDGET	YEAR 2 BUDGET	TOTAL
Tomas III Project	\$361,000	\$361,000	\$722,000
Formentera Project	\$341,500	\$341,500	\$683,000
Cilon Project	\$160,000	\$160,000	\$320,000
Total	\$862,500	\$862,500	\$1,725,000

The above table also represents the current intentions of the Board as of the date of this Prospectus based raising the Offer Amount.

Due to market conditions and/or any number of other factors (including the risk factors outlined in Section 6 of this Prospectus), actual expenditure levels may differ significantly to the above estimates. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the way funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Exploration expenditures will be reviewed on an on-going basis, depending upon the nature of results from the respective activities. The results obtained from exploration and evaluation programs may lead to increased or decreased levels of expenditure on certain projects reflecting a change in emphasis.

2.4 BUSINESS MODEL

The Company is a speculative mining exploration company. Upon completion of the Offer and admission of the Company to the Official List, the Company will be a publicly listed junior mining exploration company, holding an interest in the Projects.

Although the Company will be well funded to conduct its stated objectives for the next two (2) years, the Company has no history of earnings, and does not have any producing mining operations. The Company anticipates that it will experience losses from exploration activities and until such time as the Company carries on mining production activities, it expects to continue to incur losses. It is likely that the Company will require additional funding in the future, and as such the intention is to add Shareholder value and progressively reduce risks associated with its current or any new mineral projects that may be acquired.

The Company aims to achieve this by progressively transitioning from being a junior explorer to, subject to the results of exploration activities, technical studies and the availability of suitable funding, exploiting the value of Projects by undertaking project development and mining activities by:

- conducting systematic exploration activities on mineral projects, with the aim of discovering a mineral brine deposit;
- following discovery, delineating a Mineral Resource estimate on the Projects;
- undertaking economic and technical assessments of the Projects in line with standard industry practice (for example completion of a scoping study, then a prefeasibility study followed by a definitive feasibility study);
- undertaking project development and construction; and
- ultimately exploitation of the Projects through mining and processing operations.

As the development of the Projects progresses, the Company may also consider corporate actions that may also provide the opportunity to increase Shareholder value, which may include joint ventures, asset sales (whole or part), strategic partnerships or product off-take arrangements.

The Company also intends to continue identifying, evaluating and, if warranted, acquiring additional resource projects and assets, if the Board considers that they have the potential to add Shareholder value. The Company will consider acquiring these

additional interests by way of direct project acquisition, farm in, joint venture or direct equity in the project owners, and may include minerals or prospectivity for minerals including lithium, borates and/or base metals.

Investors should note that no assurances can be given that the Company will achieve commercial viability through the successful exploration and/or future mining of its Projects.

Given the Company will be an exploration company following Admission, it is unlikely to make money or generate income in the short term from its exploration activities. Until the Company is able to realise value from the Projects or future mining activities conducted on the Projects, the Company is likely to incur ongoing operating losses.

Investors should also note that the key dependencies of the business model outlined above include:

- admission of the Company to the ASX and Official Quotation of the Shares;
- completion of the Option Agreements and transfer of legal title to the Company's Argentinian Subsidiary;
- maintaining title to the Projects and/or future acquired tenements;
- all necessary licences and regulatory approvals being secured and maintained for the Project and/or future acquired tenements;
- sufficient worldwide demand for lithium, borates and/or base metals remaining higher than the Company's costs of any future production (assuming successful exploration and development by the Company);
- the Company's ability to attract and retain employees, key management personnel and/or contractors with appropriate technical qualifications;
- raising sufficient funds in the future to satisfy expenditure requirements for exploration and operating costs in respect of the Projects and/or future acquired tenements; and
- successful exploration and development of the Projects and/or future acquired tenements.

For further information on the key risks relevant to the Company and its business model, investors are referred to Section 6 of this Prospectus.

2.5 STRATEGY AND OBJECTIVES

As discussed above, the primary objective of the Company is to create value for Shareholders through the exploration, discovery and development of the Projects.

Following Admission, the Company proposes to undertake the exploration program summarised at Section 2.3 and further explained in the Independent Technical Assessment Report contained in Section 9 of this Prospectus. The results of the exploration programs will determine the economic viability and potential timing for the commencement of additional technical studies, including studies that assess the economic viability of the Projects, and ultimately the commencement of mining operations.

In summary, the Company's objectives are to:

- undertake follow-up exploration on a number of priority targets identified at the Projects from a review of available data and field work;
- subject to results of the exploration activities, progress technical studies on the Projects; and
- assess opportunities for business development and new venture activities to potentially add additional exploration projects.

2.6 USE OF FUNDS TABLE

Following completion of the Offer, the Company will have received cash proceeds of \$8,000,000 (before costs), from the issue of up to 40,000,000 Offer Shares at the Offer Price of \$0.20, which the Company intends to allocate as follows:

ITEM	DETAIL	AMOUNT (\$)	PERCENTAGE (%)
EXPLORATION EXPENSES			
Tomas III Project	Sampling	26,000	0.33
	Drilling	360,000	4.50
	Geophysics (CSAMT VES)	168,000	2.10
	Geochemistry	43,000	0.54
	Hydrology	0	0.00
	Other (incl. reports, mapping)	125,000	1.56
Formentera Project	Sampling	67,000	0.84
	Drilling	0	0.00
	Geophysics (CSAMT VES)	256,000	3.20
	Geochemistry	185,000	2.31
	Hydrology	0	0.00
	Other (incl. reports, mapping)	175,000	2.19
Cilon Project	Sampling	13,000	0.16
	Drilling	0	0.00
	Geophysics (CSAMT VES)	135,000	1.69
	Geochemistry	80,000	1.00
	Hydrology	0	0.00
	Other (incl. reports, mapping)	92,000	1.15
Total exploration expenses		1,725,000	21.56
IPO expenses		788,053	9.85
Project vendor cash payments ¹		3,855,240	48.19
Working capital		1,631,707	20.40
Grand total		8,000,000	100

Note / Assumption:

1 Presuming that all options rights to acquire the Projects are exercised by the Company, the total cash payments payable to the project vendors from the IPO proceeds are:

- a) Tomas III Project – US\$340,000 which converts to approximately A\$523,266;
 - b) Formentera Project – US\$2,000,000 which converts to approximately A\$3,078,036; and
 - c) Cilon Project – US\$165,000 which converts to approximately A\$253,938;
- as determined by the market currency exchange rate as at 9 November 2022.

The Directors consider that on completion of the Offer the Company will have adequate capital to meet its current objectives and requirements as set out in this Prospectus.

However, investors should be aware that the Company may expend its cash reserves on its activities more quickly than anticipated. The Directors will consider further equity funding where it considers that the raising of such further capital is necessary to meet the Company's objectives and requirements.

2.7 FINANCIAL INFORMATION

The Company has no operating history. Accordingly, the Company is not in a position to disclose key financial ratios or other financial information, other than its statement of profit or loss and other comprehensive income, statement of cash flows and pro-forma historical statement of financial position which is included in Section 7 of this Prospectus (Financial Information).

2.8 DIVIDEND POLICY

The Board anticipates that significant expenditure will be incurred in the evaluation and development of the Projects. These activities are expected to dominate at least, the first two (2) years following Admission. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

3 DETAILS OF THE OFFER

3.1 OFFER SHARES OFFERED FOR SUBSCRIPTION

This Prospectus invites investors to apply for a total of up to 40,000,000 Shares at an issue price of \$0.20 per Offer Share to raise up to \$8,000,000 (before costs).

The Company has entered into Subscription Agreements with strategic Cornerstone Investors to commit to subscribe for up to \$3,000,000 before costs through the issue of 15,000,000 Shares. Subject to completion occurring under the Subscription Agreements, the amount to be raised under the Offer shall reduce to \$5,000,000. In the event that completion does not occur under the Subscription Agreements, then the Company reserves the right to raise \$8,000,000 (before costs) under the Offer.

Please refer to Section 11 of this Prospectus (Material Contracts) for further information on the Subscription Agreements and the terms and conditions thereunder.

The Offer will be open to investors with registered addresses in Australia and other investors to whom it is lawful to make an offer to pursuant to this Prospectus.

All Offer Shares issued pursuant to this Prospectus will be issued as fully paid and will rank equally in all respects with Shares already on issue.

Applicants should be aware that ASX will not admit any Offer Shares issued pursuant to this Offer to Official Quotation until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and is admitted by ASX to the Official List. As such, the Offer Shares issued under the Offer may not be able to be traded for some time after the close of the Offer.

In the event that the Company does not receive approval for admission to the Official List, the Offer will be withdrawn and the Company will repay all Application monies received by it in connection with the Offer (without interest).

3.2 MINIMUM APPLICATION

Applications must be for a minimum of 10,000 Offer Shares (\$2,000). A larger number of may be applied for in multiples of 1,000 Shares (\$200). Applications to acquire Offer Shares will only be accepted on submission of the Application Form attached to this Prospectus.

The Directors may reject any application or allocate any Applicant fewer Offer Shares than that Applicant applied for.

3.3 OFFER AMOUNT

The Company is seeking to raise the Offer Amount, being up to \$8,000,000 (before costs) by the issue of up to 40,000,000 Offer Shares issued at \$0.20 per Offer Share. As noted above, in the event that completion does not occur under the Subscription Agreements, then the Company reserves the right to raise \$8,000,000 (before costs) under the Offer.

If the Offer Amount is not raised within four (4) months after the date of this Prospectus, the Company will not allot any Offer Shares and all Application monies will be returned without interest or the Company will issue a supplementary prospectus or replacement prospectus and allow Applicants one (1) month to withdraw their Applications and have their Application monies refunded (without interest).

3.4 OVER-SUBSCRIPTIONS

The Company will not accept over-subscriptions.

3.5 OFFER OPENING DATE AND OFFER CLOSING DATE

Subscription for Offer Shares will open on 9.00am AEDT on the Offer Opening Date and remain open until 5.00pm AEDT on the Offer Closing Date.

The Offer Opening Date and Offer Closing Date are subject to the right of the Directors to either close the Offer at an earlier time and date or to extend the closing time and date without prior notice.

Applicants are encouraged to submit their Applications as early as possible.

3.6 HOW TO APPLY FOR OFFER SHARES

Applications for Offer Shares may only be made using an online Application Form at <https://apply.automic.com.au/PatagoniaLithium> and pay the applications monies electronically or completing the Application Form attached to and forming part of this Prospectus. Please read the instructions on the Application Form carefully before completing it.

Completed Application Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Patagonia Lithium Ltd Subscription A/C" and may be lodged at any time after the issue of the Prospectus and on or before the Offer Closing Date as follows:

BY POST TO:	BY HAND TO:
Patagonia Lithium Ltd C/- Automic Registry Services GPO Box 5193, Sydney, New South Wales 2001	Patagonia Lithium Ltd C/- Automic Registry Services Level 5, 126 Phillip Street, Sydney, New South Wales 2000

If paying by BPAY® or EFT (Electronic Funds Transfer), please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY or EFT reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY or EFT should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date. You do not need to return any documents if you have made payment by BPAY or EFT.

No brokerage or stamp duty is payable by Applicants.

3.7 ACCEPTANCE OF APPLICATIONS

An Application for Offer Shares may be accepted in full, for any lesser number, or rejected by the Directors, in consultation with the Lead Manager. If any Application is rejected, in whole or in part, the relevant Application monies will be returned without interest.

3.8 COMPLIANCE WITH CHAPTERS 1 AND 2 OF THE ASX LISTING RULES

The ASX requires the Company to comply with Chapters 1 and 2 of the ASX Listing Rules in order to be Admitted to the Official List of the ASX.

There is a risk that the Company may not be able to meet the ASX's requirements for Admission. In the event that the conditions to the Offer are not satisfied, or the Company does not receive approval for Official Quotation of Shares on the ASX, then the Company will not proceed with the Offer and will return all Application monies received without interest.

Key requirements of Chapters 1 and 2 of the ASX Listing Rules are:

- a prospectus must be issued and lodged with ASX. This Prospectus is anticipated to fulfil this requirement;
- the shareholder spread requirements set out in Listing Rule 1.1 relating to the minimum spread of shareholdings and the minimum number of shareholders must be met;
- the Company must satisfy either the "profits test" or the "assets test" contained in Listing Rule 1.2 and 1.3 respectively (note: the Company is relying on the "assets test" for Admission); and
- the issue price of the Offer Shares under the Prospectus must be at least \$0.20.

3.9 CONSTITUTION AND RIGHTS ATTACHING TO SHARES

The Constitution sets out the internal rules of the Company. The section below summarises the material provisions of the Constitution, including the rights and liabilities attached to Shares. This summary is not intended to constitute an exhaustive statement of the rights and liabilities of Shareholders.

Issue of Shares

The issue of Shares by the Company is under the control of the Directors, subject to the Corporations Act, ASX Listing Rules and any rights attached to any special class of shares.

Transfer of Shares

Pursuant to the Constitution, a Shareholder may transfer a Share by any means permitted by the Corporations Act or by law.

The Company participates in the share registration and transfer system known as CHESS, which is operated by ASX under the Security Clearing House Business Rules. Under CHESS, the Company may issue holding statements in lieu

3 DETAILS OF THE OFFER

of share certificates. The Company is not permitted to charge any fee for registering a transfer of shares. The Directors may refuse to register a transfer of Shares only if the refusal would not contravene the Corporations Act or the ASX Listing Rules or where the registration would create a new parcel of unmarketable securities.

Variation Rights attaching to Shares

The rights attached to Shares or any class of shares may, unless their terms of issue state otherwise, be varied with the written consent of 75% of the holders of issued shares of the affected class, or authorised by a special resolution passed at a separate meeting of the holders of the shares of the affected class.

Meetings of Shareholders (General meetings)

The Directors may call a meeting of Shareholders whenever they think fit.

Shareholders may call a meeting in accordance with the Corporations Act. Pursuant to the Constitution, the notice of general meeting sent to Shareholders must contain certain information.

The Constitution contains provisions prescribing the content requirements for notices of meetings sent to Shareholders. All Shareholders are entitled to attend, and will receive at least 21 days' notice of a general meeting (where the Company is listed on the ASX, a notice period of 28 days applies). A quorum for a general meeting is two (2) Shareholders who are eligible to vote at the general meeting.

The Company will hold an annual general meeting in accordance with the Corporations Act and the ASX Listing Rules.

Voting Rights

Subject to any rights or restrictions for the time being attached to any Shares or class of shares of the Company, each Shareholder, whether present in person or by proxy, attorney or representative at a meeting of Shareholders, has one (1) vote on a show of hands and one (1) vote on a poll for each fully paid Share held and a fraction of a vote for each partly paid Share, equivalent to the proportion paid up on that Share. Resolutions of Shareholders will be decided by a show of hands unless a poll is demanded.

A poll may be demanded by the chairperson of the meeting, at least five (5) Shareholders (or their proxy, attorney or representative) entitled to vote on the resolution, or any one or more Shareholders holding not less than five percent (5%) of the votes that may be cast on the resolution on a poll.

Directors

The business of the Company is to be managed by or under the direction of the Directors. The Company must have at least three (3) Directors and not more than ten (10). The Board may appoint a person to be a Director at any time, but any such Director must retire at the next annual general meeting (at which meeting he or she may be eligible for election as Director).

The Company in general meeting may elect Directors by ordinary resolution.

At each annual general meeting, with the exception of the Managing Director and those Directors appointed by the Board, one third of the Directors and any Director who will have been in office for three (3) or more years must retire from the Board, and are eligible for re-election.

The aggregate remuneration of the non-executive Directors must not exceed the amount last fixed by ordinary resolution.

Dividends

The Directors may pay any interim and final dividends as, in their judgment, the financial position of the Company justifies.

Subject to any rights attaching to Shares which may in the future be issued with special or preferred rights, the Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to Shares or any other class of shares (such as preference shares), dividends will be paid proportionately. The Company is not required to pay any interest on dividends.

Winding Up

On a winding up of the Company a liquidator may, with the sanction of a special resolution of the Shareholders, divide among the Shareholders the property of the Company in proportion to the Shares held by them. The liquidator may determine how the division is to be carried out as between the members or different classes of members.

3.10 RIGHTS ATTACHING TO OPTIONS

As at the date of this Prospectus, the Company has 3,500,000 Options on issue and has agreed to issue a further 2,000,000 Options as follows:

Optionholdings

OPTIONHOLDER		NO. OF OPTIONS	PERCENT (%) OF TOTAL	DATE OF ISSUE	EXPIRY DATE
Options on issue as at the date of this Prospectus					
Executive Chairman	Phillip Thomas	1,500,000	27.27	5 October 2022	3 years from the date of issue
Non-executive Directors	Lesuer Pty. Ltd. <PMB Super Fund A/C> ¹	1,000,000	18.18	10 October 2022	3 years from the date of issue
	Gino D'Anna <The Internazionale A/C>	1,000,000	18.18	10 October 2022	3 years from the date of issue
Subtotal		3,500,000			
New Options on issue following completion of the Offer					
Lead Manager (and/or nominees) ²		2,000,000	36.36	Admission	3 years from the date of issue
Total Options on issue on Admission		5,500,000	100		

Notes / Assumptions:

¹ Lesuer Pty. Ltd. is an associated entity of Mr Paul Boyatzis.

² The Lead Manager (and/or its nominees) is entitled to be issued 2,000,000 unquoted Options upon the Company's Admission pursuant to the Lead Manager Mandate, with each Option having an exercise price of \$0.27 and a 3-year expiry from the issue date.

Options not listed

The Options are transferable and will not be quoted on the ASX. If the Company's Shares have been admitted to Official Quotation by the ASX, then the Company must apply to the ASX within ten (10) business days after the date of issue of any Shares issued upon exercise of the Options, for such Shares to be admitted to Official Quotation.

Entitlement

Each Option entitles the holder to subscribe for one (1) Share upon the exercise of the Option. All Shares issued upon exercise of the Options will rank equally with all Shares in the capital of the Company and will be escrowed for such period as provided under the ASX Listing Rules, as summarised in Section 3.15 of this Prospectus.

Expiry Date

The Options are exercisable at any time on or prior to the Expiry Date described above (**Exercise Period**). Options not exercised before the Expiry Date will lapse upon the Expiry Date.

Vesting

The Options set out in the table above vested to the holders in the manner as follows:

- 1,500,000 Options were issued to the Executive Chairman and vested on the issue date, being 5 October 2022;
- 2,000,000 Options were issued to the Non-executive Directors and vested on the issue date, being 10 October 2022; and
- 2,000,000 Options will be issued to the Lead Manager and shall vest on the issue date, being the date which the Company is admitted to Official Quotation by the ASX.

Exercise Price

The amount payable upon the exercise of each Option will be \$0.27 (**Exercise Price**).

3 DETAILS OF THE OFFER

Notice of Exercise

The Options may be exercised during the Exercise Period by providing notice in writing to the Company in accordance with their terms of issue and payment of the Exercise Price for each Option by electronic funds transfer or any other means of payment to the Company.

Reorganisation of Capital

If, prior to expiry of the Options, there is a reorganisation of the issued capital of the Company, then the rights of an Option holder will be varied to the extent necessary in order to comply with the ASX Listing Rules applying to the reorganisation of capital at the time of reorganisation.

Participation in New Issues of Securities

An Optionholder may only participate in new issues of securities in the Company to Shareholders to the extent that the Option has been exercised and the Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give reasonable notice to the Optionholder of any new issue before the record date for determining entitlements to that issue in accordance with the ASX Listing Rules.

Bonus Issues

If the Company makes a bonus issue of Shares pro rata to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

3.11 ALLOTMENT

Acceptance of an Application by the Company creates a legally binding contract between the Applicant and the Company for the number of Offer Shares for which the Application is accepted.

The Company will allot and issue the Offer Shares as soon as possible after the grant of Official Quotation of the Shares.

Following the allotment and issue of the Offer Shares, statements illustrating Applicants' shareholdings in the Company will be despatched. It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

3.12 APPLICATION MONIES HELD ON TRUST

All Application monies received for the Offer Shares will be held in trust in a bank account established solely for the purpose of depositing Application monies received pursuant to this Prospectus until the Offer Shares are allotted. Application monies will be returned (without interest) if the Offer Shares are not allotted.

3.13 TAXATION

The taxation summary contained in this Section 3.13 provides a general overview of the Australian tax implications to Australian tax resident investors who acquire and hold Offer Shares. The summary is not intended to be a complete statement of the Australian tax law, nor to be relied upon as tax advice.

The individual circumstances of each Applicant may affect the taxation implications of the investment for that Applicant. It is the responsibility of each Applicant to be satisfied as to the particular taxation treatment that applies to each investment. Persons who are considering making an investment in the Company should seek independent professional advice with respect to the taxation consequences arising from such an investment.

This summary is based on the current Australian taxation law, and administrative practice of the Commissioner of Taxation (**Commissioner**), as at the date of this Prospectus. However, potential investors should be aware that the law, and the way in which the Commissioner interprets and administers the law, may change at any time, and that the ultimate interpretation of Australian taxation law rests with the courts.

These comments do not apply to Shareholders that are non-Australian tax residents, insurance companies, banks or investors who carry on a business of trading in shares, hold shares otherwise than on capital account (i.e. on revenue account) or acquired shares under an employee share scheme. Different tax implications apply to these Shareholders.

Australian capital gains tax for Australian tax resident Shareholders

Australian income tax laws contain a capital gains tax (**CGT**) regime and Australian tax-resident Shareholders will be subject to the CGT regime on a disposal of Shares.

Shareholders who are Australian residents for Australian tax purposes that dispose of Shares may realise a capital gain that may be subject to Australian CGT. Such capital gain would be equal to the capital proceeds from the disposal of the Shares, less the cost base of the Shares. Conversely, a capital loss generally arises if the reduced cost base of the Shares exceeds the capital proceeds from the disposal of the Shares.

The cost base used to assess any capital gain or loss on Shares is generally the amount a Shareholder pays to acquire the Shares plus any incidental costs of acquisition and disposal of Shares and non-capital costs of ownership incurred by the Australian tax resident Shareholder.

Capital losses made by an Australian tax-resident shareholder in the same income year or in prior years that have not be utilised can typically be offset against any capital gains (subject to relevant loss recoupment rules). Any remaining net capital gain is included in assessable income and, subject to the comments below regarding availability of CGT discount, may be taxed, with the amount of tax payable depending on the individual taxpayer's tax profile. Where a net capital loss is incurred it may be carried forward offset against future capital gains subject to the relevant loss recoupment rules.

Non-corporate Australian tax-resident Shareholders may be entitled to a CGT discount to reduce the amount of net capital gain that is assessed. Generally, complying superannuation entities are entitled to a CGT discount of one-third if the Shares have been owned for at least 12 months immediately prior to the date of disposal. Individuals or entities acting as trustees of trusts (which have presently entitled beneficiaries in respect of the capital gain) are generally entitled to a CGT discount of 50% if the Shares have been held for at least 12 months immediately prior to the date of disposal. The CGT discount is not available to companies (including those deemed to be companies) that hold Shares).

To this end, the rules surrounding capital gains and the CGT discount for trusts are complex, in that the benefit of the CGT discount will only flow through to relevant presently entitled beneficiaries if certain requirements are satisfied.

Dividends

Dividends may be paid to Shareholders in respect of their Shares. Franking credits may be attached to such dividends. Franking credits broadly represent the extent to which a dividend is paid out of profits that have been subject to Australian income tax. It is possible for a dividend to be fully franked, partly franked or unfranked.

Dividends received by Australian tax-resident Shareholders should be included in the assessable income of Shareholders. Generally, Australian tax-resident Shareholders will be taxed on the dividends at their relevant marginal or corporate tax rate (corporate).

Generally, to the extent that the dividends are franked, an amount equal to the franking credits attaching to the dividends will be included in the assessable income of the Australian tax-resident Shareholders.

Further, Australian tax-resident Shareholders will generally be entitled to a tax offset equal to the amount of the franking credits on dividends, subject to certain requirements being met,

Certain Shareholders (including individuals and complying superannuation funds) may be entitled to a refund of 'excess franking credits' where their tax offset in respect of the franked dividends exceeds their income tax liability.

It is the responsibility of each Applicant to be satisfied as to the particular taxation treatment that applies to each investment. Persons who are considering making an investment in the Company should seek independent professional advice with respect to the tax consequences arising from such an investment.

3.14 FOREIGN SELLING RESTRICTIONS AND OVERSEAS APPLICANTS

This Prospectus does not, and is not intended to, constitute an offer of securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company has not taken any action to register or qualify the Shares the subject of the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

It is the responsibility of any Applicant for Offer Shares that is based in a foreign jurisdiction (outside Australia) to ensure compliance with all laws of any foreign jurisdiction that are relevant and applicable to their Application. The return of a properly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of any applicable foreign jurisdiction laws and that all necessary approvals and consents have been obtained.

3 DETAILS OF THE OFFER

3.15 ESCROW

The following securities on issue as at the date of this Prospectus, or to be issued prior to Admission of the Company's securities to the Official List of the ASX and Official Quotation of the Shares, are subject to the following escrow restrictions:

- 1 7,696,500 Shares held by the Company's promoter (or associates thereof) seed capitalists will be escrowed for 24 months from the date of quotation on the ASX;
- 2 1,240,000 Shares held by the Company's professional advisers and consultants (or associates thereof) will be escrowed for 24 months from the date of quotation on the ASX;
- 3 2,475,000 Shares held by the Company's third party seed investors will be escrowed for 12 months commencing on the date on which the Shares were issued; and
- 4 125,000 Shares held by the Project Vendors will be escrowed for 12 months commencing on the date on which the Shares were issued.

13,750,000 (out of a total of 15,000,000) Shares committed to be subscribed for by Cornerstone Investors (pursuant to the Subscription Agreements entered into with the Company) are subject to voluntary escrow for the period of 12 months commencing the date of Admission. *Please refer to Section 11 of this Prospectus (Material Contracts) for further information on the Subscription Agreements and the terms and conditions thereunder.*

The Shares issued upon the exercise of the 5,500,000 Options held (or to be held, as the case may be) by the Company's Directors and the Lead Manager will be subject to an escrow period of 24 months from the date of the Company's quotation on the ASX.

The Company confirms its 'free float' (the percentage of Shares that are not restricted and are held by Shareholders who are not related parties (or their associates) of the Company) at the time of Admission will not be less than 20%, in compliance with ASX Listing Rule 1.1 Condition 7. The Company's 'free float' will be approximately 51.7% based on the Offer Amount (assuming no related parties of the Company or their associates participate in the Offer and the Cornerstone Investors are allotted the Shares committed to be subscribed for under the Subscription Agreements entered into with the Company).

Escrow agreements in relation to the above Shares will be entered into in accordance with the ASX Listing Rules. Please note that the ASX may determine to increase or reduce the escrow restriction periods that are to apply to the Company's Shareholders once the Company lodges its application for Official Quotation of the Shares.

The Company has not applied for nor obtained any modifications of, or exemptions from, the ASX Listing Rules pursuant to this Offer.

ASX may require further escrow restrictions once the Company lodges its application for Official Quotation of the Shares.

3.16 CHESS

The Company will apply to participate in the Clearing House Electronic Sub-Register System (**CHESS**) operated by ASX Settlement Pty Ltd (**ASX Settlement**), a wholly owned subsidiary of ASX, in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under this system, the Company will not issue certificates to investors. Instead, investors will receive a statement of their holdings in the Company.

If an investor is broker sponsored, ASX Settlement will send them a CHESS statement. The CHESS statement will set out the number of securities allotted to each investor under the Prospectus, give details of the investor's Holder Identification Number (**HIN**) and provide the investor an identification number of the sponsor.

Alternatively, if an investor is registered on the issuer sponsored subregister, their statement will be dispatched by the Share Registry and will contain the number of securities allotted under the Prospectus and the investor's Security holder Reference Number (**SRN**) and their Sponsor Issuer Number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time, however a charge may be levied for additional statements.

3.17 PROFESSIONAL ADVICE

The Directors recommend that potential investors, when making an informed assessment of what will be the assets and liabilities, financial position, profits and losses and prospects of the Company should read this Prospectus in its entirety. Potential investors who have any questions about investing in the Company or are in any doubt about any matter relating to the Offer, should seek the advice of their professional advisors.

3.18 WITHDRAWAL

The Company may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application monies without interest at the earliest practicable time.

3.19 ASX OFFICIAL QUOTATION

The Company will apply to ASX no later than seven (7) days from the date of this Prospectus for ASX to grant Official Quotation to the Shares issued pursuant to this Prospectus.

If the Shares are not admitted to Official Quotation within three (3) months after the date of this Prospectus, no Shares will be issued. Application monies will be refunded in full without interest at the earliest practicable time.

The fact that the ASX may admit the Company to Official Quotation is not to be taken as an indication of the merits of the Company or the Offer Shares.

If the application for Admission is granted, Official Quotation of the Shares will commence as soon as possible after successful Applicants have been issued their holding statements.

The ASX takes no responsibility for the contents of this Prospectus.

3.20 PLACEMENT FEES

The Company reserves the right to pay a fee of up to 6% of the amount subscribed (and accepted by the Company) for an Application for Shares bearing the stamp of a licensed securities dealer or holder of an Australian Financial Services licence (AFSL). Payment will be subject to the receipt of a proper tax invoice from the licensed securities dealer or AFSL holder.

The other estimated expenses of the Offer are referred to in Section 12.6 of this Prospectus.

4 BOARD AND CORPORATE GOVERNANCE

The Company is very cognisant of investor expectations with respect to governance and communications. In that regard, the Board is constituted of Directors who have extensive skills and experience in both business operations and governance. The Board has a broad base of experiences covering operational, technical, corporate and commercial backgrounds spanning a number of decades across a range of different industries. The Board is well positioned to implement, oversee and monitor the Company's strategic objectives.

4.1 DIRECTORS' PROFILES

EXPERIENCE

Mr Phillip Thomas



Phillip 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.

Role	Executive Chairman
Location	Victoria, Australia
Independence or affiliations	Not Independent
Legal or disciplinary action	Mr Thomas has not been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of his duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.
Insolvent companies	Mr Thomas has not been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that he was an officer or within a 12-month period after he ceased to be an officer.

EXPERIENCE

Mr Paul Boyatzis



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. He has significant experience in the Australian capital markets and in the strategic development of ASX listed companies. 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.

Role	Non-executive Director
Location	Western Australia, Australia
Independence or affiliations	Independent
Legal or disciplinary action	Mr Boyatzis has not been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of his duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.
Insolvent companies	Mr Boyatzis has not been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that he was an officer or within a 12-month period after he ceased to be an officer.

EXPERIENCE

Mr Gino D'Anna



Gino has significant primary and secondary capital markets experience and has extensive experience in resource exploration, public company operations, administration and financial management.

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) and gold projects in Australia and Namibia.

Role	Non-executive Director
Location	Western Australia, Australia
Independence or affiliations	Independent
Legal or disciplinary action	Mr D'Anna has not been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of his duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.
Insolvent companies	Mr D'Anna has not been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that he was an officer or within a 12-month period after he ceased to be an officer.

4.2 COMPANY SECRETARY

Mr Jarosław (Jarek) Krzysztof Kopias

Jarek has over 25 years' industry experience in a wide range of financial and secretarial roles within the resources industry. This includes 5 years at WMC Resources Limited's Olympic Dam operations, 5 years at Newmont Mining Corporation in the Australian corporate office, and 5 years at Stuart Petroleum Limited, an oil and gas producer and explorer, prior to its merger with Senex Energy Limited.

Jarek is currently the CFO and Company Secretary of Resolution Minerals Ltd (ASX:RML) and iTech Minerals Ltd (ASX:ITM), and Company Secretary of Core Lithium Ltd (ASX:CXO), Iron Road Ltd (ASX:IRD), Austral Resources Australia Ltd (ASX:AR1) and Copper Search Limited (ASX:CUS). He has held similar roles with other ASX listed entities in the past.

Jarek is based in Adelaide, South Australia.

4.3 DISCLOSURE OF DIRECTORS AND COMPANY SECRETARY'S INTERESTS

4.3.1 Directors' and Company Secretary's Interests

Other than as set out below or elsewhere in this Prospectus, no Director and no firm in which a Director is a partner, has an interest in the promotion or in property proposed to be acquired by the Company or in connection with the Company's formation or promotion. Other than as set out below or elsewhere in this Prospectus, no amounts have been paid or agreed to be paid (in cash, Shares or otherwise) to any Director or any firm in which any Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in which he is a partner in connection with the formation or promotion of the Company.

As at the date of this Prospectus and on completion of the Offer, assuming the Directors and Company Secretary do not participate in the Offer, the Directors and Company Secretary will have relevant interests in Shares and Options as set out in the table below:

DIRECTORS	NO. OF SHARES	NO. OF OPTIONS
Mr Phillip Thomas ¹	1,000,000 ¹	1,500,000
Mr Paul Boyatzis ²	0	1,000,000 ²
Mr Gino D'Anna	0	1,000,000
Company Secretary		
Mr Jarosław (Jarek) Kopias	0	0
Total	1,000,000	3,500,000

Notes:

- ¹ The Shares were issued to Gurtan Pty. Ltd., which is an associated entity of Mr Phillip Thomas.
- ² The Options were issued to Lesuer Pty. Ltd., which is an associated entity of Mr Paul Boyatzis.

4.3.2 Related Party Transactions

Related parties of the Company relevantly include the Directors and entities controlled by Directors. Chapter 2E of the Corporations Act prohibits a public company or an entity that it controls from giving a financial benefit to a related party of the public company unless either the giving of the financial benefit falls within one of the nominated exceptions to the prohibition, or shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

One of the nominated exceptions to the prohibition is where the financial benefit is reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length.

Except where indicated below, the following contracts or transactions with related parties have been determined by Directors who do not have a material personal interest in the matter to fall within the arm's length exception, and constitute reasonable remuneration for the purposes of Part 2E.1 of the Corporations Act.

Agreements with Directors

The Company has entered into an Executive Employment Agreement with Mr Phillip Thomas (as varied by letter agreement) and Letters of Appointment with the other Directors (as varied by letter agreements).

The remuneration payable by the Company under such agreements to each Director is as follows:

- Mr Phillip Thomas (Executive Chairman):
 - > from 1 July 2022 to Admission: \$2,000 per month (exclusive of superannuation entitlements); and
 - > from Admission onwards: \$108,000 per annum (exclusive of superannuation entitlements) plus 1,500,000 Options exercisable at \$0.27, with an expiry date of three (3) years from the date of issuance, being 5 October 2022.
- Mr Paul Boyatzis (Non-executive Director):
 - > from 1 July 2022 to Admission: \$1,000 per month (exclusive of superannuation entitlements); and
 - > from Admission onwards: \$48,000 per annum (exclusive of superannuation entitlements) plus 1,000,000 Options exercisable at \$0.27, with an expiry date of three (3) years from the date of issuance, being 10 October 2022.
- Mr Gino D'Anna (Non-executive Director):
 - > from 1 July 2022 to Admission: \$1,000 per month (exclusive of superannuation entitlements); and
 - > from Admission onwards: \$48,000 per annum (exclusive of superannuation entitlements) plus 1,000,000 Options exercisable at \$0.27, with an expiry date of three (3) years from the date of issuance, being 10 October 2022.

For more information on the Executive Employment Agreement and Letters of Appointment (as varied by letter agreements), please refer to Section 11 of this Prospectus (Material Contracts).

4.5 CORPORATE GOVERNANCE

4.5.1 Role of the Board

The Board is responsible for the following principal matters:

- the strategic direction of the Company;
- overseeing, negotiating and implementing the significant capital investments and material transactions entered into by the Company;
- management goals and the Company's policies;
- monitoring and reviewing the financial and operational performance of the Company;
- risk management strategy and review; and
- future expansion of the Company's business activities.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board;
- Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company;
- Overseeing Planning Activities: developing the Company's strategic plan;
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company;
- Monitoring, Compliance and Risk Management: developing the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company; and
- Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.

The Board has adopted a Board Charter which sets out its responsibilities, processes and duties of the Board in greater detail.

4.5.2 ASX Corporate Governance Principles and Recommendations

The Board is committed to principles of best practice in corporate governance.

The Board will conduct itself in accordance with the *ASX Corporate Governance Principles and Recommendations, 4th Edition* (2019) as issued by the ASX Corporate Governance Council (**ASX Principles and Recommendations**), to the extent that such principles and recommendations are applicable to an entity of the size and structure of the Company.

The Company has formulated its own corporate governance policies and practices using the ASX Principles and Recommendations as a guide.

The Board will review on an ongoing basis the corporate governance policies and structures that the Company has in place to ensure that these are appropriate for the size and structure of the Company and nature of its activities, and that these policies and structures continue to meet the corporate governance standards that the Board is committed to.

Summary of Company's position in relation to ASX Principles and Recommendations:

ASX PRINCIPLES AND RECOMMENDATIONS	COMPANY'S POSITION
Principle 1 – Lay solid foundations for management and oversight	The Role of the Board The Board is responsible for, and has the authority to determine, all matters relating to strategic direction, policies, practices, management goals and the operations of the Company. The Role of Management It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. The Company's officers and management have all entered into service contracts, following appropriate checks prior to their appointment, which outline the responsibilities of each of the Company's officers and of management personnel when performing their roles for the Company. Diversity Policy The Board has established a Diversity Policy in accordance with the ASX Principles and Recommendations and will endeavour to provide for appointments to the Board and Company in accordance with the Diversity Policy as the Company develops and grows.
Principle 2 – Structure the Board be effective and add value and add value	At the date of this Prospectus, the Company has three (3) directors, being Mr Phillip Thomas, Mr Paul Boyatzis and Mr Gino D'Anna. The Board is an appropriate size to effectively and efficiently oversee the management and operations of the Company, based on the present size of the Company's activities. The Board is responsible for the nomination and selection of Directors. Given the size of the Company and the nature of its operations, the Board does not believe it to be appropriate to establish a nomination committee at this time. The composition of the Board, its performance and the appointment of new Directors will be reviewed periodically by the Board, taking advice from external advisors where considered appropriate.

ASX PRINCIPLES AND RECOMMENDATIONS	COMPANY'S POSITION
Principle 3 – Instil a culture of acting lawfully, ethically and responsibly	Code of Conduct The Board has established a Code of Conduct for the Board. The Board is committed to meeting their responsibilities under the Constitution and Corporations Act when carrying out their functions as company officers. Whistleblower Policy The Board has established a <i>Whistleblower Policy</i>. Any material incidents reported under that policy are reported to the board. Anti-bribery and Corruption Policy The Board has established an <i>Anti-bribery and Corruption Policy</i>. Any material incidents reported under that policy are reported to the board. Reporting Unethical or Illegal Practices Company policy requires employees who are aware of unethical or illegal practices to report these practices to management. Any reports of unethical or illegal practices are investigated by the Board. Reporters of unethical practices may remain anonymous.
Principle 4 – Safeguard the integrity of corporate reports	The Company has established an <i>Audit and Risk Committee</i> which shall be responsible for monitoring and reviewing financial reporting by the Company. The Company has adopted a Charter for the <i>Audit and Risk Committee</i> which sets out the committee's responsibilities, procedures, guidelines and composition.
Principle 5 – Make timely and balanced disclosure	The Company has adopted a <i>Continuous Disclosure and Communications and Policy</i> to ensure compliance with its disclosure obligations under the ASX Listing Rules. To comply with the ASX Listing Rules, the Company intends to immediately notify the ASX of information: • concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and • that would, or would be likely to, influence persons who commonly invest in securities. The <i>Continuous Disclosure and Communications Policy</i> includes processes designed to ensure that Company information: • is disclosed in a timely manner; • is factual; • does not omit material information; and • is expressed in a clear and objective manner that allows the input of the information when making investment decisions. The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company. Accordingly, in following and adhering to its Continuous Disclosure and Communications Policy and the ASX Listing Rules and Corporations Act, the Company will comply with its continuous disclosure obligations.

ASX PRINCIPLES AND RECOMMENDATIONS	COMPANY'S POSITION
Principle 6 – Respect the rights of security holders	The Board is committed to ensuring that Shareholders receive information relating to the Company on a timely basis and shall endeavour to keep Shareholders well informed of all material developments of the Company. The Board has adopted a <i>Continuous Disclosure and Communications Policy</i>, and as part of this policy, will ensure that all relevant announcements and documents are published on the Company's website in a prompt fashion. The Company will respect the rights and entitlements of Shareholders under the Constitution and the Corporations Act.
Principle 7 – Recognise and manage risk	The Company has established an <i>Audit and Risk Committee</i> which shall be responsible for monitoring, identifying and managing risks, and ensuring that these risk identification and management procedures are implemented and followed. The Audit and Risk Committee has adopted a Charter. The Company has also adopted a <i>Risk Management Policy</i> designed to ensure: • all major sources of potential opportunity for harm to the Company (both existing and potential) are identified, analysed and treated appropriately; • business decisions throughout the Company appropriately balance the risk and reward trade off; • regulatory compliance and integrity in reporting is achieved; and • the Company's good standing with its stakeholders continues.
Principle 8 – Remunerate fairly and responsibly	The Board is responsible for the Company's remuneration policy and has adopted a <i>Nomination and Remuneration Policy</i> which outlines the processes by which the Board shall review officer and management remuneration. The Company has provided disclosure of a summary of its remuneration policies for the Directors in this Prospectus. The Company is committed to remunerating its officers and executives fairly and to a level which is commensurate with their skills and experience and which is reflective of their performance. Further disclosure of officer and executive remuneration will be made in accordance with the ASX Listing Rules and the Corporations Act. Securities Trading Policy The Company has adopted a <i>Securities Trading Policy</i> for Directors, officers and employees of the Company. The purpose of the <i>Securities Trading Policy</i> is to reduce the risk of insider trading and ensure that the Company's Directors, officers and employees are aware of the legal restrictions on trading in Shares whilst in possession of undisclosed information concerning the Company. The <i>Securities Trading Policy</i> sets out when trading in Shares by Directors, officers and employees of the Company is not permitted. Restrictions on trading are imposed by the Company to reduce the risk of insider trading and to minimise the chance that misunderstandings or suspicions arise that the Company's directors, officers, or employees are trading while in possession of undisclosed information concerning the Company.

4.5.3 Departures from ASX Principles and Recommendations

Under the ASX Listing Rules, the Company will be required to provide a Corporate Governance Statement on its website or in its annual report disclosing the extent to which it has followed the ASX Principles and Recommendations in the reporting period. Where the Company does not follow an ASX Principle and Recommendation, it must identify the ASX Principle and Recommendation that has not been followed and give reasons for the departure. Except as set out below, the Board does not anticipate that the Company will depart from the ASX Principles and Recommendations, however, it may do so in the future if it considers that such a departure would be reasonable.

ASX PRINCIPLE AND RECOMMENDATION	EXPLANATION FOR DEPARTURE
Recommendation 1.5	The Company does not follow the recommendation of principle 1.5, given the size of the Company and status of the Company's projects, the directors believe that it is not appropriate at this stage to set measurable objectives in relation to diversity beyond those included in the Diversity Policy.
Recommendation 2.5	The Company does not follow the recommendation of principle 2.5 as the Chair of the Company is not an independent director.
Recommendation 4.1	The Company does not follow the recommendation of principle 4.1 because the audit committee comprises only two members.
Recommendation 7.1	The Company does not follow the recommendation of principle 7.1 because the risk committee comprises only two members.

4.6 SUBSTANTIAL SHAREHOLDERS

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares currently on issue in the Company:

HOLDER	NO. OF SHARES	% (UNDILUTED) ¹
10 Bolivianos Pty Ltd (and its associates) ²	8,990,000	58.23
Gurtan Pty. Ltd. ³	1,000,000	6.48
Pamplona Capital Pty Ltd (and its associates) ⁴	1,000,000	6.48

Notes:

- 1 Assuming that no Options are exercised.
- 2 Associates of 10 Bolivianos Pty Ltd include Mr Conor Daley and Mr Ali Ukani.
- 3 Gurtan Pty. Ltd. is an associated entity of Mr Phillip Thomas.
- 4 Associates of Pamplona Capital Pty Ltd includes Pamplona Opportunities Ltd.

On completion of the Offer, the following existing Shareholders will hold 5% or more of the total number of Shares on issue in the Company:

HOLDER	NO. OF SHARES	% (UNDILUTED) ^{1,2,3}
Fuyang Mingjin New Energy Development Co., Ltd ⁴	10,000,000	18.00
10 Bolivianos Pty Ltd (and its associates) ⁵	8,990,000	16.18
Southeast Mingqing Supply Chain (Fuyang) Co., Ltd ⁶	3,750,000	6.75

Notes / Assumptions:

- 1 Assuming that no Options are exercised.
- 2 Assuming a full subscription of the Offer Amount.
- 3 Assuming that none the Company's Shareholders as at the date of this Prospectus do not subscribe for Shares under the Offer Amount.
- 4 The Company has entered into a Subscription Agreement with Fuyang Mingjin New Energy Development Co., Ltd whereby the Cornerstone Investor has committed to subscribe for 10,000,000 Shares in the Company under the Offer Amount. Please refer to Section 11 of this Prospectus (Material Contracts) for further information on the Subscription Agreements and the terms and conditions thereunder.
- 5 Associates of 10 Bolivianos Pty Ltd include Mr Conor Daley and Mr Ali Ukani.
- 6 The Company has entered into a Subscription Agreement with Southeast Mingqing Supply Chain (Fuyang) Co., Ltd whereby the Cornerstone Investor has committed to subscribe for 3,750,000 Shares in the Company under the Offer Amount. Please refer to Section 11 of this Prospectus (Material Contracts) for further information on the Subscription Agreements and the terms and conditions thereunder.

5 INDUSTRY OVERVIEW

Lithium is an essential component making up the electrolyte and cathode of lithium batteries. Batteries that power portable electronic devices such as phones and laptops (defined as secondary batteries) are a part of the growing use of lithium which has dominated the HEV and EV automotive industry. In recent years, more than a dozen countries have pledged to get more electric vehicles (EVs) on the road and automakers are accelerating their production of zero-emission vehicles in response. Gigafactory producers are accelerating the production of these battery components of which lithium carbonate and lithium hydroxide is at the bottom of the chain but more recently lithium chloride has gained popularity due to battery technology break-throughs. Some car and truck batteries are consuming as much as 30-50kg of lithium carbonate in their construction.

“The Global lithium-ion battery market size is projected to grow from USD41.1 billion in 2021 to USD116.6 billion by 2030; it is expected to grow at a CAGR of 12.3% from 2021 to 2030.”

(Source: Business Wire, A Berkshire Hathaway Company)

As the global transition from gasoline-powered vehicles to EVs heats up, Patagonia aims to advance its projects to meet the growing demand from the battery sector for its lithium products. The Company is positioned to benefit from its growing portfolio of projects in the world-renowned Lithium Triangle in Argentina, where the government has committed to assist in developing domestic lithium resources.

Global interest in thwarting the effects of recent climate change – and in tandem the growing adoption of EVs – continues to accelerate the demand for lithium, with the North America EV market size alone expected to expand at a CAGR of 37.2% from 2021 to 2028 (Source: Grand View Research, 'North America Electric Vehicles Market Size, Share & Trends Analysis Report By Product (BEV, PHEV), By Vehicle Type (PCLT, Commercial Vehicles), By Region, And Segment Forecasts, 2021– 2028', June 2021). Globally, demand for lithium is expected to increase more than 50% over the next four years. According

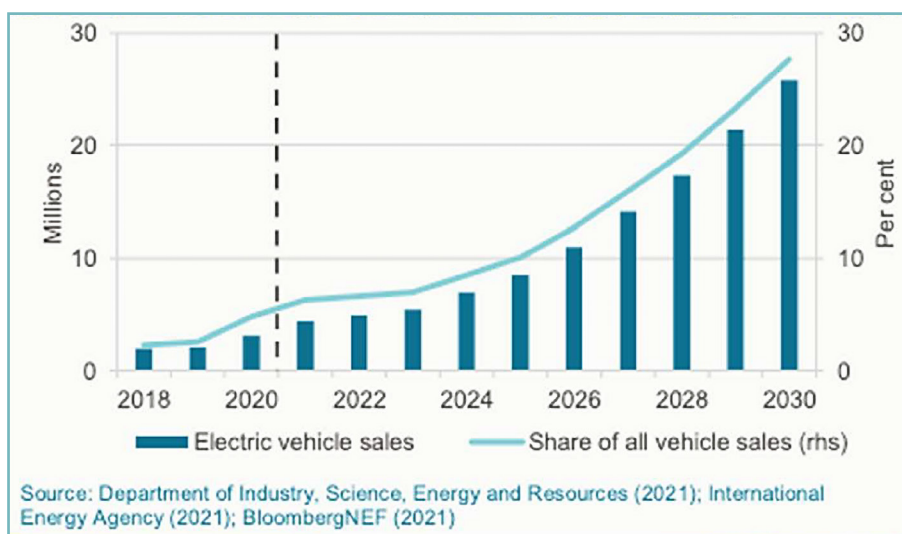
to the latest research by SkyQuest Technology, Global Battery Metals Market was valued at US\$14.5 billion in 2021, and it is expected to attain a value of US\$25.66 billion by 2028 with a CAGR of 8.5% over the Forecast period (2022-2028) (Source: SkyQuest Technology Consulting Pvt. Ltd., 'Global Battery Metals Market to Hit Sales of \$25.66 billion by 2028 Lithium Generates Over 30% Revenue of the Market', Yahoo!, 27 October 2022).

Recently lithium carbonate battery grade product exceeded US\$70,000 per tonne (Source: Trading Economics, 'Lithium', 25 October 2022. This means that a 10,000 tonne plant will generate revenues in excess of US\$700 million at current prices. Brines are much more economic to produce lithium carbonate and lithium chloride than hard rock sources most commonly found in Australia and Canada. This is because the ore which is usually about 1.5% Li_2O is concentrated to 6% before it is shipped to make 99.5% Li_2CO_3 . 94% of what is not shipped is waste.

Processing of brines to lithium products can be achieved using a number of technologies and combinations, for example, creating ponds, evaporating the brine over a 12–18 month period then using fractional crystallization to add various chemicals to precipitate the materials not required and produce a lithium product. More modern techniques include ion exchange, membranes, adsorption using an absorption medium, reverse osmosis, and combinations of these. In addition there are less proven technologies such as MOF, that are emerging. However direct lithium extraction with no front-end scrubbing is becoming prevalent with at least five DLE technologies being marketed.

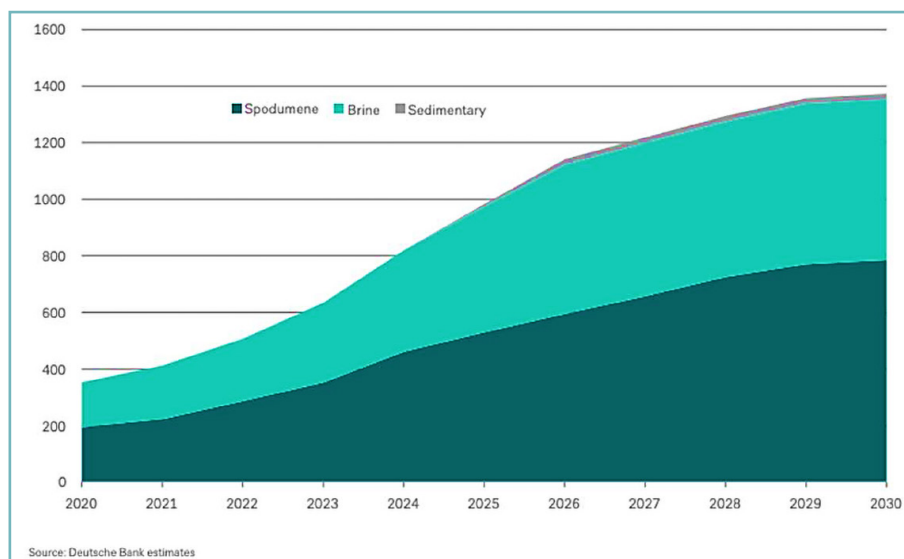
Once the brine is treated and the lithium extracted the rest of the brine is pumped back into a geohydrologically sustainable location. Because the brines are usually in aquifers deep below the surface there is very little disturbance to the ground water levels.

Battery gigafactories are super-sized producers of lithium-ion battery cells, which will be the platform technology for all EVs, and China has taken the initiative to build battery capacity at speed and scale. Of the 181 battery gigafactories in various stages of planning and construction, 88 are currently active, making cells for EVs (Source: Simon Moores, 'The Global Battery Arms Race: Lithium-Ion Battery Gigafactories And Their Supply Chain', The Oxford Institute for Energy Studies, February 2021). While there may be a 'global battery arms race', the furore has a real and tangible bedrock of battery production. In terms of battery capacity, in 2020,



(Source: James Fernyhough, 'Volkswagen's battery plans a 'game changer' for Australian minerals: government', *The Driven*, 30 June 2021).

5 INDUSTRY OVERVIEW



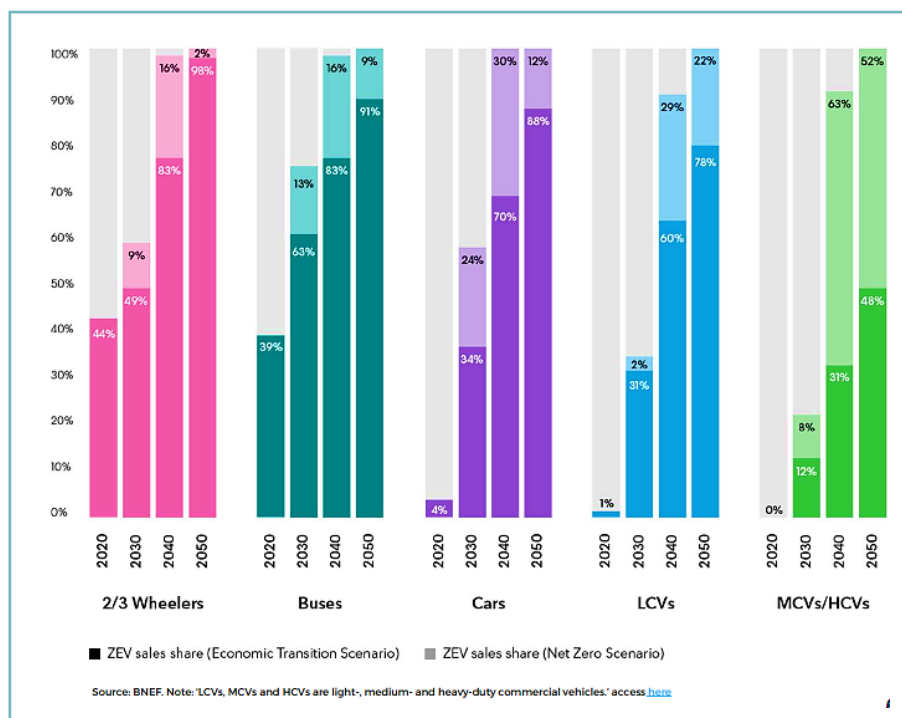
(Source: Deutsche Bank, 'Is Lithium a 'green' alternative?', Deutsche Bank, May 2021).

cell capacity plans to 2030 increased by 845 GWh to a fraction over 3 TWh. This is the biggest single annual increase in pipeline battery capacity since Benchmark started collecting this data in 2014 (Source: Benchmark Mineral Intelligence Report available via www.benchmarkminerals.com/). China once again surged ahead in 2020 by building even more lithium-ion battery megafactories and increasing future capacity. Of the total capacity of all of the lithium-ion battery plants either active or under construction, China accounts for 66.9 per cent, while the US is only forecasted to account for 11.9 per cent .

At present there is only two lithium product producers in Argentina, Livent and Allkem. Exar and Lithium Americas Corporation have been building plants for four years and expect to come on line in the next 12 months. Annual production has been around 28,000 tonnes a year of lithium carbonate.

Compared to the other high-quality rechargeable battery technologies (nickel-cadmium or nickel-metal-hydride), Li-ion batteries have a number of advantages (Source: Clean Energy Institute, 'Lithium-Ion Battery', University of Washington). They have one of the highest energy densities of any battery technology today (100-265 Wh/kg or 250-670 Wh/L). In addition, Li-ion battery

cells can deliver up to 3.6 Volts, three times higher than technologies such as Ni-Cd or Ni-MH. This means that they can deliver large amounts of current for high-power applications, which has Li-ion batteries are also comparatively low maintenance, and do not require scheduled cycling to maintain their battery life. Li-ion batteries have no memory effect, a detrimental process where repeated partial discharge/charge cycles can cause a battery to 'remember' a lower capacity. This is an advantage over both Ni-Cd and Ni-MH, which display this effect. Li-ion batteries also have low self-discharge rate of around 1.5-2% per month. They do not contain toxic cadmium, which makes them easier to dispose of than Ni-Cd batteries.



Sila Nanotechnologies is replacing the graphite anode that forms a lot of the bulk and about 15% of the weight of today's lithium-ion batteries with a form of silicon that it claims will give battery cells a 20 to 40% increase in energy density while also charging faster (Source: Gene Berdichevsky & Gleb Yushin, 'The Future of Energy Storage', Sila Nanotechnologies Inc, 2 September 2020). That change would be roughly analogous to a Ford F-150 getting 25 MPG this year but 35 MPG next model year: an unheard of jump.

Mercedes looks like the first customer to offer the Sila tech as an elite option in the new electric EQG in 2025. Energy density is especially important in heavy vehicles like the EQG because their lardiness tends to magnify the shortcomings of current batteries that have to be large and heavy to move something large and heavy even a decent number of miles, setting up a decided unvirtuous cycle.

Solid state batteries are starting to increase their market penetration albeit it is early days. The key benefits of solid state batteries are greater energy density: This could yield an EV with far more range from the same size battery or today's range from a much smaller, cheaper battery tomorrow. The latter is more transformational in my mind.

Faster charging: While full charges in under 30 minutes are rather elite today, solid-state batteries target that as a matter of course. Short charge times have the potential to change the entire perception of electric cars.

Longer cycle life: The problem is current batteries are being retired and disposed because they lose a significant portion of their capacity through charge cycling. Solid-state tech is a key part of GM's plan to produce a million-mile life battery (Source: Paul Lienert, 'GM says it is 'almost there' on million-mile electric vehicle battery', Reuters, 20 May 2020).

Thermal stability: Solid-state designs promise little or no chance of thermal runaway, which has made current lithium batteries synonymous with fire risk.

Solid Power grabbed headlines lately (Oct 22) when it announced it was starting small volume production with the backing of Ford and BMW (Source: Solid Power, 'Solid Power's All-Solid-State Battery Cell Technology', Solid Power 2022). Notably, production can be done on lines that make conventional lithium-ion batteries today, a potentially huge industrial advantage. Mass production could come as soon as 2024. Nikkei recently reported that Toyota is by far the world's leader in solid-state battery patents and has said it will have a limited production vehicle using the tech by 2025 (Source: Sotaro Yumae & Kenya Akama, 'Toyota secures huge lead in solid-state battery patents', Nikkei Asia, 7 July 2022).

6 RISK FACTORS

The exploration, development and exploitation of natural resources is a speculative activity that involves a high degree of risk. Whilst the Company has sought to acquire interests in the Projects which have identified prospective mineral targets, there is no guarantee that they will generate commercial returns for the Company and its Shareholders. Therefore, the Offer Shares to be issued pursuant to this Prospectus are a speculative investment.

The following summary explains some of the risks associated with investment in the Company and which may impact the financial performance of the Company. However, potential investors should read this Prospectus in its entirety and consult their professional advisors before applying for Offer Shares under this Prospectus. The list of risk factors outlined here is not exhaustive.

Neither the Company, nor its Directors nor any of its professional advisors give any form of guarantee on future dividends, return on capital or the price at which the Shares might trade on ASX.

Investors should consider the non-exhaustive list of risks associated with investing in the Company that are outlined below and consult with their advisors before making an investment in the Company.

6.1 RISKS SPECIFIC TO THE COMPANY

a) Tenure and title risk

The Projects are subject to Argentinian law, and the Company has no certainty as to whether the applicable political circumstances or legislative regime is, or will in the future be, favourable in respect of foreign investment, lithium generally, or the ownership of land rights (including Argentinian tenements) by foreigners.

The tenure in and title to the Projects may be dependent on, amongst other things, the Company's ability to meet the licence conditions imposed by the relevant authorities, including payment of canon fees and complying with the legal labour, legal survey and working and investment plan requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Licence conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the Projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Although the Company has no reason to believe that the Projects will be forfeited, there can be no assurance that this will not take place if the Projects become untenable (for example, the relevant authority imposes new conditions in connection with the Projects). The consequence of forfeiture or involuntary surrender of any of the Projects for reasons beyond the control of the Company could be significant.

Further, there is no guarantee that the Projects or future acquired tenements located in Argentina and/or applications for the Projects or future acquired tenements located in Argentina will be approved by the relevant authority.

In addition, native title issues apply to the Projects, whereby the relevant Argentinian native title and community groups are required to be part of the approval process for exploitation permits in Argentina. There is a risk that this process may adversely impact the Company's ability to effectively exploit the Projects to the degree it currently contemplates.

Please refer to the Argentinian Independent Solicitor's Report in Section 10 for further details on the above-mentioned.

b) Limited history

The Company was incorporated on 27 September 2021 and therefore has a limited operating and financial history on which to evaluate its business and prospects.

The Company also has limited data available with respect to its Projects upon which investors can base their evaluation of the Company's business and prospects.

The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through successful exploration or mining activities on the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses.

c) Dilution risk

As at the date of this Prospectus, the Company has 15,440,000 Shares on issue (based on holdings of current Shareholders) and 3,500,000 Options on issue, and shall issue a further 2,000,000 Options to the Lead Manager (or its nominees) at completion of the Offer. Each Option entitles the holder to subscribe for one (1) Share at an exercise price of \$0.27 (refer to Section 3.10 of this Prospectus).

If Options on issue are exercised by the holders, then this will result in further shares being issued in the capital of the Company and result in further dilution for the Shareholders of the Company.

In addition, the holdings of existing Shareholders may be further diluted in the future as a result of any future equity capital raisings that are required to be undertaken by the Company in order to fund exploration and exploitative activities or business activities of the Company.

d) Competition risk

The mineral exploration and exploitation industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors. Many of the Company's competitors may have access to more substantial resources than the Company and may be able to more efficiently undertake exploration and production activities. The activities or actions of the Company's competitors may adversely affect the financial and operating performance of the Company. Therefore, there can be no assurance that the Company will be able to compete effectively with its competitors.

e) Ongoing funding requirements

The Company has no operating revenue and is unlikely to generate any operating revenue until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. Notwithstanding this, the Company anticipates that its existing financial resources, along with the proceeds generated under the Offer, will be sufficient to enable it to carry out its planned business operations for the first two (2) years following Admission.

However, in order to successfully develop the Projects, further funding may be required in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

There is no guarantee that additional capital or funding, if and when required, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities, which may have a material adverse effect on the Company.

f) Potential acquisitions

The Company may pursue and assess other new business opportunities in the resource sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

Such transactions (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed transaction is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If such transactions are undertaken, the Directors will need to reassess at that time, the funding allocated to Projects, which may result in the Company reallocating funds away from it and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new transaction/business activities will remain.

g) Reliance on Key Personnel and Consultants

The Company is reliant on a number of key personnel and consultants, including members of the Board, who will be engaged to conduct the different aspects of the exploration and mining activities on the Project. The loss of one or more key contributors or the failure of any equipment used by these persons could have an adverse impact on the Company's business, activities and operating results.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced personnel if at the time there is high demand in the industry for such personnel, and having regard to the relatively small size of the Company compared with other industry participants.

Furthermore, the jurisdiction in which the Company shall operate its main business is Argentina. The official language of Argentina is Spanish. The current members of the Board are not fluent or otherwise have no proficiency in Spanish. The current members of the Board may be reliant on the Company's key personnel and consultants to translate communications and documentation that are in Spanish in order to properly fulfill their duties to the Company.

h) Returns Not Guaranteed

There is no guarantee of any income distribution or capital return on the Shares nor is there a guarantee of repayment of capital amounts. Shareholders will not be entitled to any guaranteed distributions of profits or capital.

There is no guarantee that distributions will be at a certain level or that there will be distributions at all.

i) Counterparty and Contract Risk

The Company has entered into a number of commercial agreements with third parties and may enter into further contracts. There is a risk that the counterparties may not meet their obligations under those agreements.

The ability of the Company to achieve its stated objectives will depend on the performance by the counterparties, with whom the Company has contracted with, or will contract with, of their obligations under the relevant agreements. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

Furthermore, the Company's interest in the Projects is held via 100% legal or beneficial shareholding interest (through the Company's wholly owned Argentinian subsidiary (Patagonia Lithium Argentina S.A.) pursuant to the Option Agreements. The Company's legal or beneficial ownership of the Projects is subject to and dependant on the counterparties' adherence to the Option Agreement generally, and specifically to the Project Vendors transferring good legal title to the Projects to the Company's Argentinian Subsidiary upon completion. There is a risk despite the Company fulfilling its obligations to the Project Vendors, the Project Vendors may each fail to properly effect a legal transfer of the interest in the Projects to the Company's Argentinian Subsidiary. In such circumstances, the Company will assert its full legal rights under the Option Agreements to protect its interests in the Projects.

j) Pandemic and Other Public Health Risks

The ongoing COVID-19 pandemic and any other possible future outbreaks of viruses may have a significant adverse effect on the Company. The spread of such diseases amongst the Company's management, employees, suppliers and logistic networks, as well as any health-related government-imposed quarantine and isolation requirements, may reduce financial the Company's ability to operate and have detrimental financial implications.

Travel and other restrictions imposed on management, key employees and contractors travelling to and from Australia into Argentina together with internal Argentinian restrictions on site access to the Projects will have an impact on the operations of the Company.

More broadly, the Company may be affected by the macroeconomic effects and ensuing financial volatility resulting from the pandemic and any other possible outbreaks of viruses/diseases.

While the final effects of the COVID-19 pandemic or other possible disease outbreaks are difficult to assess, it is possible that it will have a substantial negative effect on the economies where the Company operates in and could have an adverse effect on the Company's financial position.

k) Environmental Impact Assessment

The Company's mining and exploration activities on the Project or future acquired tenements located in Argentina is dependent on the Company obtaining and maintaining valid Environmental Impact Assessments (**EIAs**) on each of the Projects approved by the relevant authorities. EIAs are required to be updated with the relevant authorities every two (2) years.

As at the date of this Prospectus, the EIAs that would permit the Company to undertake the mining exploration activities (as set out in the Use of Funds Table at Section 2.6 of this Prospectus) for:

- i) the Formentera Project and the Cilon Project are current and valid; and
- ii) the Tomas III Project is pending approval.

If the Company is unable to obtain, maintain or update valid EIAs on the Projects or future acquired tenements located in Argentina, then the Company will not be able to undertake mining and exploration activities.

If the Company undertakes mining and exploration activities without the relevant valid EIA, then this will likely result in fines and warnings being imposed by the relevant authorities (or even possible loss of title).

The current status of the EIAs for the Projects is outlined in the Argentinian Independent Solicitor's Report contained in Section 10 of this Prospectus.

There is no guarantee that EIAs for particular work programmes proposed for the Projects or future acquired tenements located in Argentina will be approved by the relevant authority.

l) Limitations to immediate exploration activities

Pursuant to the relevant laws, the Company is able to perform surface exploration activities (sampling, geophysics, geochemistry and other desktop studies including reports and mapping) at each the Formentera Project, the Cilon Project and the Tomas III Project with respect to any mineral including lithium, borates and base metals based on the EIAs approved by the relevant authority.

However, pursuant to the relevant laws, the Company is not permitted to undertake further exploration activities (for example, drilling and hydrology) at the Formentera Project, the Cilon Project and the Tomas III Project without the respective EIAs approved by the relevant authority which specifically sets out the proposed work plan for exploration of lithium. EIAs permitting such exploration at each the Formentera Project, the Cilon Project and the Tomas III Project have been submitted with the relevant authority however have not yet been approved.

Therefore, the Company can currently undertake all the exploration activities in the proposed exploration program set out at Section 2 of this Prospectus except for drilling at the Tomas III Project. The Company will be able to undertake drilling at the Tomas III Project upon approval of the corresponding EIA by the relevant authority. The Company has reason to believe that this will likely be approved by the relevant authority prior to the Company's Admission.

m) Grant of Concession Application

As at the date of this Prospectus, the Cilon Project has a concession application awaiting grant by the relevant authority (**Concession Application**).

There is a risk that the pending concession application for the Cilon Project will not be granted, which may be as a result of a number of factors including delays and issues with the grant process under local Argentinian law.

There is no guarantee that the Concession Application, future applications for the Projects and/or future acquired tenements will be approved.

Please refer to the Argentinian Independent Solicitor's Report in Section 10 for further details on the above-mentioned.

6.2 RISKS SPECIFIC TO DOING BUSINESS IN ARGENTINA

b) Government regulation and political risk in the mining industry

Patagonia Lithium Argentina S.A. is incorporated under the laws of Argentina and the Projects are located in the Provinces of Jujuy and Salta, Argentina. Patagonia Lithium Argentina S.A.'s operating activities are subject to Argentinian laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right application and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or profit ability. The Argentinian Independent Solicitor's Report describes the Argentinian law on mining that applies to the Projects.

c) Risks associated with operating in Argentina

The Projects are located in Argentina, South America. Argentina is a less-developed country (when compared to Australia) with associated political, economic, legal and social risks. Consideration should be given to the risks associated with operating in Argentina as it has an economy and legal system different from that of some developed countries. Such risks can include economic, social or political instability or change, disease outbreak, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local residents or contractors or require other benefits to be provided to local residents.

In addition, changes to exploration, mining or investment policies and legislation or a shift in political attitude in the jurisdictions in which the Company operates may adversely affect the Company's proposed operations and profitability.

The Company may also be required by local authorities to invest in social projects for the benefit of the local community. Additional social expenditures in the future may have a negative impact on the Company's profitability.

d) Legal system

The legal system of Argentina is less developed than those in more established countries and this could result in the following risks:

- i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- ii) a higher degree of discretion held by various government officials or agencies;
- iii) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- v) relative inexperience of the judiciary and courts in matters affecting the Company.

The commitment from local business, people, government officials and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that the Company will not be adversely affected by the actions of the government authorities or others. As such, the effectiveness and enforcement of such arrangements cannot be assured.

e) Enforcing liabilities against assets outside of Australia may be difficult

The majority of the Company's assets are located outside Australia. As a result, it may be difficult to enforce judgments obtained in Australian courts against those assets. In addition, there is uncertainty as to whether the courts of Argentina or any other jurisdictions in which the Company operates would recognise or enforce judgments of Australian courts obtained against the Company based on provisions of the laws of Australia.

Furthermore, because the majority of the Company's assets are or will be located outside Australia, it may also be difficult to access those assets to satisfy an award entered against the Company in Australia. As a result of all of the

above, Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.

6.3 RISKS SPECIFIC TO THE MINING INDUSTRY

The success of the Company's business is directly related to future mineral exploitation and production activities of the Projects. The profitability (if any) of the Company's activities will be dependent on the success of the commercial exploitation of these assets.

Factors which may affect the Company's financial position, prospects and the price of its listed securities include the following:

a) Nature of Mineral Exploration and Mining

The business of mineral exploration, development and production is subject to risk by its nature. The Projects are at an early stage of exploration and potential investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards.

The success of the Company depends, among other things, on successful exploration and/or acquisition of reserves, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of operations. Exploration and mining activities may also be hampered by force majeure circumstances, land claims and unforeseen mining problems.

There is no assurance that exploration and development of the Projects, or any other projects that may be acquired in the future, will result in the discovery of mineral deposits which are capable of being exploited economically (if at all). Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. If such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realise value, or the Company may even be required to abandon its business and fail as a "going concern".

Whether a mineral deposit (if defined) will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit,

such as size, grade and proximity to infrastructure, commodity prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, exporting of minerals and environmental protection. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on the Projects without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring or developing the Projects.

b) Results of Studies

Subject to the results of any future exploration and testing programs, the Company may progressively undertake a number of studies in respect to the Projects or any new exploration project that the Company may acquire. These studies may include exploration, scoping, pre-feasibility and bankable feasibility studies.

These studies will be completed within certain parameters designed to determine the economic feasibility of the relevant project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of the Projects, there can be no guarantee that the Projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study, once production commences including but not limited to operating costs, mineral recoveries and commodity prices. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

c) Resource and Reserve Estimates

Defined Ore Reserve and Defined Mineral Resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Defined Mineral Resource and Defined Ore Reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, Defined Ore Reserves are valued based on future costs and future prices and, consequently, the actual Defined Ore Reserves and Defined Mineral Resources may differ from those estimated, which may result in either a positive or negative effect on operations.

Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations

d) Operational Risks

The operations of the Company may be affected by various factors which are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance

can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

e) Mine Development

Possible future development of mining operations on the Projects or other tenements applied for or acquired by the Company is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production on any existing or future projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of existing or future projects.

f) Metallurgy

Brine, metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as identifying a metallurgical process through test work to produce a saleable metal and/or concentrate; developing an economic process route to produce a metal and/or concentrate; and changes in mineralogy in the deposit can result in inconsistent metal recovery, affecting the economic viability of the Projects.

g) Economic Risk and Price of Commodities

The Company's ability to proceed with the development of the Projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from the Company's exploration activities will primarily be derived from the sale of lithium, borates and/or base metals assets. Consequently, any future earnings are likely to be closely related to the price of those commodities and the terms of any off-take agreements that the Company enters into.

The price of lithium, borates and/or base metals assets are subject to many variables and may fluctuate markedly. These variables include the global physical and investment demand for, and supply of, those commodities, forward selling by producers and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. Fluctuations in the prices of the commodities, which the Company is targeting in its exploration activities may influence individual projects in which the Company has an interest and the price of the Company's shares.

Further, commodities are principally sold throughout the world in US dollars, therefore any fluctuations in the exchange rate between Australian and US dollars could adversely affect the Company's financial position, performance and prospects. These factors may have an adverse effect on the Projects and the Company's activities as well as its ability to finance future projects and activities. The Company may undertake measures, where deemed necessary by the Board, to mitigate such risks.

h) Access to Land Not Guaranteed

Immediate access to the Projects, cannot in all cases, be guaranteed. The Company may be required to seek the consent of landholders or other persons or groups with an interest in the real property encompassed by the Projects. Compensation may be required to be paid by the Company to landholders to allow the Company to carry out exploration and/or production activities. Although the Company has not budgeted for compensation payments, there is no guarantee that additional amounts may not be required. Future judicial decisions and legislation may also restrict land access.

i) Environmental Risk

The Projects are subject to Argentinian laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly, if the Company's activities result in mine development. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's business, financial condition and results of operations.

j) Operational Health and Safety Risk

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. However, mining activities have inherent risks and hazards. While the Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems, health and safety incidents may nevertheless occur. Any illness, personal injury, death or damage to property resulting from the Company's activities may lead to a claim against the Company.

6.3 GENERAL INVESTMENT RISKS

There is a risk that the price of Shares and returns to Shareholders may be affected by changes in some of the general risks of investment which are beyond the control of the Company, including:

a) State of Australian and International Economies

A downturn in the Australian and/or the international economy may negatively impact the performance of the Company which in turn may negatively impact the value of securities in the Company.

b) Changes to Government Policies and Legislative Changes

Government policy and legislative changes which are outside the control of the Company may also have a negative impact on the financial performance of the Company.

c) Movements in Local and International Stock Markets

The price of stocks in a publicly listed company can be highly volatile and the value of a company's securities can be expected to fluctuate depending on various factors, including stock market sentiment, government policies, investor perceptions, economic conditions and market conditions which affect the retail industry. It is therefore possible that the Company's securities will trade at below the Offer Price.

d) Movements in Interest Rates, Currency Exchange Rates and Inflation Rates

The fluctuation of interest, currency exchange and inflation rates could negatively impact the Company's cost of finance and operating costs and returns from the sale of extracted minerals and resources (if any).

e) Insurance Risk

The Company may, where economically practicable and available, endeavour to mitigate some business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of such insurance cover. While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers there will remain the risk that an insurer defaults in the legitimate claim by the Company under an insurance policy. Insurance against all risks associated with the Company's business operations is not always available and where available the cost may be prohibitive.

f) Unforeseen Expenses

The Company is not aware of any expenses that it will be required to incur in the two years following Admission and which it hasn't already taken into account. However, if the Company is required to incur any such unforeseen expenses then this may adversely affect the currently proposed expenditure plan and existing budgets for the Company's activities.

g) Changes in Accounting Standards

Australian Accounting Standards (AAS) are developed and implemented by the Australian Accounting Standards Board (AASB). The AASB may introduce new or refined AAS, which may affect the measurement and recognition of balance sheet items and income statements, including revenue and receivables. Conversely, interpretations of existing AAS may

differ. Changes to AAS issued by the AASB or changes to generally held views about the application of such AAS may adversely affect the performance and position reported in the Company's financial statements.

h) Litigation Risk

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

i) Counterparty Performance

There is a risk that counterparties who have contracted with the Company's group do not perform their obligations pursuant to such contracts.

j) Force Majeure

The Company's Projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, pandemics or quarantine restrictions (including but not limited to in connection with the COVID-19 global pandemic).

6.4 SPECULATIVE INVESTMENT

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares.

In addition, the list of risk factors referred to above are not made in any order of priority and no emphasis should be placed on one risk factor at the expense of another simply because of its relative placement in the list referred to above.

Therefore, the Offer Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Offer Shares. Prospective investors should consider that the investment in the Company is highly speculative and should consult their professional advisors before deciding whether to apply for Offer Shares pursuant to this Prospectus.

7 FINANCIAL INFORMATION

7.1 OVERVIEW

Patagonia Lithium Limited (**Company** or **Patagonia Lithium**) was incorporated on 27 September 2021. On 13 June 2022, the company incorporated Patagonia Lithium Argentina S.A. (**Patagonia Argentina**) to conduct the Group's operations in Argentina.

The financial information comprises:

- The consolidated historical statement of profit and loss for the period from 27 September 2021 to 30 June 2022 (**Historical Statement of Financial Performance**);
- The consolidated historical statement of statement of cash flows for the period from 27 September 2021 to 30 June 2022 (**Historical Statement of Cash Flows**); and
- The pro forma historical consolidated statement of financial position of Patagonia Lithium as at 30 June 2022:
 - > on the basis of a subscription of 40,000,000 Shares at an issue price of \$0.20 per share to raise \$8,000,000 (before costs),

(the **Pro Forma Historical Statements of Financial Position** or **Pro Forma Historical Financial Information**).

The Historical Financial Information and Pro Forma Historical Financial Information are together referred to as the **Financial Information**.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of Patagonia Lithium. The Directors of the Company are responsible for the preparation and presentation of the Financial Information.

The Financial Information, as defined above, has been reviewed by Hall Chadwick Melbourne in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as stated in its Independent Limited Assurance Report set out in Section 8. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The Financial Information presented in Section 7 should be read in conjunction with:

- the company and project overview set out in Section 2;
- key risks set out in Section 6;
- the significant accounting policies set out in Section 7.5;
- the subsequent events as set out in Section 7.4(b);
- the Company's proposed use of its cash resources (including the proceeds of the Offer) after Admission, as described in Section 2.6;
- details of the Company's dividend policy in Section 2.8; and
- other information contained in this Prospectus.

Investors should note that past performance is not a guarantee of future performance.

Unless otherwise indicated, all amounts disclosed in this Section 7 are presented in Australian dollars. Due to rounding, the numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

a) Basis of preparation and presentation – Historical Financial Information

The Historical Financial Information has been prepared in accordance with Australian Accounting Standards (**AAS**) as issued by the Australian Accounting Standards Board (**AASB**) which are consistent with the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**). The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

The Patagonia Lithium Historical Financial Information has been derived from its reviewed interim consolidated financial statements for the period ended 30 June 2022, issued on 19 October 2022. These consolidated financial statements were reviewed by Hall Chadwick Melbourne

in accordance with International Auditing Standards. Hall Chadwick Melbourne has issued an unqualified audit opinion, including a material uncertainty related to going concern, for the period ended 30 June 2022.

You can obtain a copy of the Patagonia Lithium financial report, free of charge on the company's website (<https://www.patagonialithium.com.au/>).

b) Basis of preparation and presentation – Pro forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared solely for the purpose of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards (AAS) as issued by the Australian Accounting Standards Board (AASB), which are consistent with the IFRS and interpretations as issued by the IASB, other than that they include adjustments that have been prepared in a manner consistent with the AAS that reflects the impact of certain transactions as if they occurred on or before 30 June 2022.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position. The Pro Forma Statement of Financial Position has been derived from the Historical Statement of Financial Position and includes pro forma adjustments described in Section 7.4(a), as if those events and transactions had occurred as at 30 June 2022.

c) Going concern

The Financial Information has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Consolidated Entity incurred a loss from ordinary activities of \$567,918 for the period ended 30 June 2022 and had negative cash flows from operating activities of \$62,408.

The Directors believe that the current cash resources will not be sufficient to fund the planned transactions aimed to provide existing and new Shareholders with the execution of the Company's principal activities and working capital requirements without raising additional capital.

Following Completion of the Offer, Patagonia Lithium expects a pro forma cash balance as at 30 June 2022 of \$3,766,509, after completing a number of project acquisitions. The Directors expect that these funds will be sufficient to allow for exploration and evaluation of the Company's Projects, provide the necessary working capital to meet its ongoing obligations and stated business objectives for at least 12 months from the date of the Offer.

Should Patagonia Lithium be unable to raise sufficient capital as contemplated in the Prospectus, the Directors are confident that Patagonia Lithium will be able to successfully obtain funding as required through various sources, proactively manage operating costs and other cash flow requirements in line with available resources. The Board of Directors is satisfied that these actions are practical and achievable and is therefore satisfied there are reasonable grounds to conclude Patagonia Lithium can continue as a going concern even if the Offer were not to proceed.

Should these strategies not be successful, there is a material uncertainty whether Patagonia Lithium will be able to continue as a going concern and therefore, whether it will be able to pay its debts as and when they become due and payable and to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Patagonia Lithium Historical Statement of Financial Position. The historical statements of financial position does not include adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should Patagonia Lithium not continue as a going concern.

7.2 HISTORICAL STATEMENTS OF FINANCIAL PERFORMANCE

The table below sets out the historical consolidated statement of profit or loss for the period from 27 September 2021 to 30 June 2022. No adjustments have been made for corporate costs associated with the Company operating as a listed company.

	CONSOLIDATED 27 SEP 2021 TO 30 JUN 2022 \$
Expenses	
Corporate and administration expenses	(96,607)
Exploration related expenses	(3,451)
Depreciation and amortisation expense	(280,200)
Unrealised foreign exchange losses	(187,100)
Other expenses	(560)
Loss before income tax expense	(567,918)
Income tax expense	-
Loss after income tax expense for the period attributable to the owners of Patagonia Lithium Limited	(567,918)
Other comprehensive income for the period, net of tax	-
Total comprehensive income for the period attributable to the owners of Patagonia Lithium Limited	(567,918)

7.3 HISTORICAL STATEMENT OF CASH FLOWS

The table below sets out the historical consolidated statement of cash flows for the period from 27 September 2021 to 30 June 2022.

	CONSOLIDATED 27 SEP 2021 TO 30 JUN 2022 \$
Cash flows from operating activities	
Payments to suppliers (inclusive of GST)	(62,408)
Net cash used in operating activities	(62,408)
Cash flows from investing activities	
Payments for exploration and evaluation rights	(469,395)
Net cash used in investing activities	(469,395)
Cash flows from financing activities	
Proceeds from issue of shares	706,700
Share issue transaction costs relating to IPO	(78,027)
Net cash from financing activities	628,673
Net increase in cash and cash equivalents	96,870
Cash and cash equivalents at the beginning of the financial period	-
Cash and cash equivalents at the end of the financial period	96,870

7.4 HISTORICAL AND UNAUDITED PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION

The table below sets out the historical consolidated statement of financial position of Patagonia Lithium as at 30 June 2022, the Pro Forma Adjustments that have been made to it (as detailed below) and the Pro Forma Historical Statement of Financial Position of the Group as at 30 June 2022.

	30 JUNE 2022 REVIEWED	PROFORMA TRANSACTIONS	PRE IPO BALANCE SHEET	IMPACT OF OFFER	USE OF FUNDS	PROFORMA TOTAL
Assets						
Current assets						
Cash and cash equivalents	96,870	81,129	177,999	7,224,869	(3,636,358)	3,766,509
Trade and other receivables	11,342	-	11,342	65,104	-	76,446
Exploration and evaluation	50,695	-	50,695	-	(50,695)	-
Other	78,027	-	78,027	(78,027)	-	-
	236,934	81,129	318,063	7,211,946	(3,687,053)	3,842,956
Non-current assets						
Exploration and evaluation	2,854,480	18,871	2,873,351	-	923,873	3,797,225
	2,854,480	18,871	2,873,351	-	923,873	3,797,225
Total assets	3,091,414	100,000	3,191,414	7,211,946	(2,763,180)	7,640,180
Liabilities						
Current liabilities						
Trade and other payables	49,352	-	49,352	-	-	49,352
Other	2,903,280	-	2,903,280	-	(2,903,280)	-
	2,952,632	-	2,952,632.00	-	(2,903,280)	49,352
Total liabilities	2,952,632	-	2,952,632	-	(2,903,280)	49,352
Net assets	138,782	100,000	238,782	7,211,946	140,100	7,590,828
Equity						
Issued capital	706,700	100,000	806,700	7,007,987	-	7,814,687
Reserves	-	501,217	501,217	286,410	-	787,626
Accumulated losses	(567,918)	(501,217)	(1,069,135)	(82,451)	140,100	(1,011,485)
	138,782	100,000	238,782	7,211,946	140,100	7,590,828

a) Pro forma adjustments

The Pro Forma Historical Financial Information includes pro forma adjustments, which have been applied to the corresponding Historical Financial Information in a manner consistent with AAS. The pro forma adjustments have been made to adjust for the following transactions associated with the Offer:

i. Impact of Subsequent Events

- > Since 30 June 2022, the company has raised \$100,000 upon the issue of 1,000,000 fully paid ordinary shares valued at 10 cents per shares;
- > Since 30 June 2022, the company has made payments of US\$13,000 to extend the right to explore period over the Tomas III Project;
- > Since 30 June 2022, the company issued 3,500,000 options over ordinary shares to directors as part of their remuneration. These options have an exercise price of 27 cents and 3 year term, and have been valued at \$501,217 on grant date.

ii. Impact of the Offer

- > The issue of up to 40,000,000 Shares at \$0.20 per Share totalling up to \$8,000,000 (before costs) to investors participating in the Offer;
- > Estimated total costs of the Offer of:
 - a) \$1,074,463 excluding GST, of which \$775,131 will be paid in cash; and
 - b) the balance by way of share based payment to the Lead Manager comprising the issue of share options (**Broker Options**) with a fair value of approximately \$286,410.

Refer to Sections 3.10 (Rights attaching to Options) and 11.8 (Lead Manager Mandate) for further details of the terms of the Broker Options.

In accounting for the total costs of the offer, \$992,012 has been recognised as a deduction to issued capital reflecting the portion of costs that directly relate to the issue of new Shares with \$82,451 recognised in accumulated losses reflecting the portion of costs that relate to the listing of existing Shares.

The estimated recoverable GST charged on the invoices associated with these costs has been recognised as a GST receivable in Other Receivables of \$65,105.

Prepaid IPO costs of \$78,027 recognised in Patagonia Lithium at 30 June 2022 have been allocated to the cost of capital raised.

iii. Use of IPO Funds

- i) Upon completion of the IPO the Group will complete the acquisition of the Tomas III Project by paying US\$340,000 (A\$493,558). This will result in the recognition of a non-current exploration and evaluation asset of A\$633,658 and the reversal of A\$140,100 of previously recognised amortisation.
- ii) The Group will also make the payment of US\$2,000,000 (A\$2,903,280) to complete the Formantera acquisition, resulting in reduction in other liabilities of A\$2,903,280.
- iii) The Group will also complete the acquisition of the Cilon Project by paying US\$165,000 (A\$290,216). This will result in the recognition of a non-current exploration asset of A\$290,216 including a transfer of \$50,695 from current exploration and evaluation assets.

The 30 June 2022 exchange USD to AUD exchange rate of 0.689 has been used consistently throughout the proforma.

b) Subsequent events

The Financial Information has been prepared based on conditions that existed at 30 June 2022, the below material events have occurred since that date.

- On 7 July 2022, the Company entered into a lead manager mandate with Pamplona Capital Pty Ltd to provide ongoing corporate advice services related to the Company's activities and capital requirements including acting as lead manager for the Company's proposed IPO. On or about the same date the lead manager mandate entered into with CoPeak Corporate Pty Ltd on 29 April 2022 was terminated by mutual agreement.
- On 25 July 2022, Pamplona Capital Pty Ltd and Pamplona Opportunities Ltd were each issued 500,000 in shares in the Company following subscription funds paid to the Company totalling the sum of \$100,000.
- By signing a further addendum on 25 July 2022, the Company has agreed to vary the terms of the Option Agreement entered into with Mr Sebastian Virgili San Millan on 26 November 2021 as varied by signed addendum dated 20 April 2022 by paying US\$13,000. The Company has extended the option period to exercise its rights to acquire the Tomas III Project pursuant to said Option Agreement, from 28 July 2022 to 30 November 2022, which is now mandatory.

- By signing an addendum on 28 September 2022, the Company has agreed to vary the terms of the Option Agreement entered into with Luis Alberto Party on 27 December 2021. The balance of the US\$2,000,000 deferred consideration payable to the project vendor shall be settled in cash only, due on 30 November 2022.
- Since 30 June 2022, the company signed subscription agreements with cornerstone investors to raise \$3,000,000 before costs.
- Since 30 June 2022, the company has issued 3,500,000 options over ordinary shares to directors as part of their remuneration. These options have an exercise price of 27 cents and 3 year term that have been valued at \$501,217 on grant date.
- The Company has decided not to exercise its rights to acquire the Don Draper II Project pursuant to the Option Agreement entered into with Alejandro Rodriguez De La Villarmois dated 26 November 2021.
- By signing an addendum on 22 October 2022, the Company exercised its right to acquire the Cilon Project pursuant to the Option Agreement entered into with Oscar Adolfo Zeballos dated 2 March 2022 and the Company has agreed to vary the terms under such agreement. The balance of the US\$165,000 deferred consideration payable to the project vendor shall be settled in cash only, due on 30 November 2022.

7.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group's key accounting policies relevant to the Financial Information are set out below. In preparing the Financial Information, the accounting policies of the Group have been applied consistently throughout the periods presented.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Patagonia Lithium Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Patagonia Lithium Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has

the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Exploration and evaluation – rights to explore

Exploration and evaluation expenditure in relation to separate areas of interest for which rights to explore are current is carried forward as an asset in the statement of financial position.

The right gives the entity the right to explore for a specified period of time after which they have the decision to enter into the acquisition for the right to tenure. The right to explore will be amortised over the exploration period and if a successful acquisition of the right is acquired, the amortization will be reversed and the right to explore will be capitalised onto the cost of the right to tenure (exploration asset).

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploration of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the period in which the decision is made.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Costs relating the company's initial public offering that will be recognised a deduction to equity have been treated as a prepaid IPO cost.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees and consultants.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.
- Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

8 INDEPENDENT LIMITED ASSURANCE REPORT



9 November 2022

The Board of Directors
Patagonia Lithium Limited
C/- Moray & Agnew Lawyers,
Level 6, 505 Little Collins Street,
Melbourne VIC 3000

Dear Board Members

Independent Limited Assurance Report on Patagonia Lithium Limited's historical and pro forma historical financial information

This Independent Limited Assurance Report (**Report**) has been prepared for inclusion in Patagonia Lithium Limited's (the **Company**) prospectus to be dated on or around 9 November 2022 (the **Prospectus**) in relation to the Company's initial listing on the Australian Securities Exchange (**ASX**). The Prospectus includes an offer of 40,000,000 shares at an issue price of \$0.20 per share to raise up to \$8 million before costs (the **Offer**).

This Report is included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of the Company. All amounts are expressed in Australian dollars and expressions defined in the Prospectus have the same meaning in this Report.

This Report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Hall Chadwick Corporate (Vic) Pty Ltd has not been requested to consider and does not express an opinion on the prospects for the Company, nor the merits and risks associated with becoming a shareholder of the Company. It has not made nor will not make any recommendation in issuing this Report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than the responsibility for this Report.

This report is structured as follows:

1. **Scope**
2. **Directors' Responsibilities**
3. **Our Responsibility**
4. **Conclusions**
5. **Restrictions of Use**
6. **Liability**
7. **Consent**
8. **Declarations**



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1. Scope

You have requested Hall Chadwick Corporate Finance (Vic) Pty Ltd perform a limited assurance engagement and to report on the Financial Information as set out in Section 9 of the Prospectus:

Historical Financial Information

The Historical Financial Information, as set out in Section 9, of the Prospectus, includes:

- a) The consolidated historical statement of profit and loss for the period from 27 September 2021 to 30 June 2022 (**Historical Statement of Financial Performance**); and
- b) The consolidated historical statement of statement of cash flows for the period from 27 September 2021 to 30 June 2022 (**Historical Statement of Cash Flows**);

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The historical financial information has been extracted from the financial report of the Company for period from 27 September 2021 to 30 June 2022, which was reviewed by Hall Chadwick in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Based on the review, which was not an audit, Hall Chadwick did not become aware of any matter that made it believe that the half-year financial report of Patagonia Lithium Limited was not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the period 27 September 2021 to 30 June 2022; and complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

The historical financial information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma historical financial information

The Pro Forma Financial Information, as set out in Section 9.4 of the Prospectus, comprises the pro forma consolidated Statement of Financial Position of the Company as at 30 June 2022 and supporting notes which include the pro forma adjustments.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 9.4 of the public document, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position.

2. Directors' responsibility

The directors of the Company are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are

necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

3. Our responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

4. Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in section 9 of the public document, and comprising: the Statement of Financial Performance of Patagonia Lithium for the period from 27 September 2021 to 30 June 2022; and the Statement of Cash flows for the period from 27 September 2021 to 30 June 2022; are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 9.1 of the document.

Pro Forma Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information, as described in section 9.4 of the public document, and comprising: the Statement of Financial Position as at 30 June 2022; **is** not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 9.1 of the document.

5. Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the Pro forma Balance Sheet, being for inclusion in the Company's ASX submission. As a result, the Pro forma Balance Sheet may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report or on the Pro forma Balance Sheet to which it relates, for any purpose other than that for which it was prepared.

6. Liability

The liability of Hall Chadwick Corporate (Vic) Pty Ltd is limited to the inclusion of this Report in the Prospectus. Hall Chadwick Corporate (Vic) Pty Ltd makes no representation regarding and has no liability for any other statements or other materials in or omissions from the Prospectus.

7. Consent

Hall Chadwick Corporate (Vic) Pty Ltd has consented to the inclusion of this assurance report in the Company's ASX submission in the form and context in which it is included.

8. Disclosure of Interest

Hall Chadwick Corporate (Vic) Pty Ltd does not have any interest in the outcome of the Company's listing other than the issue of this report for which normal professional fees will be received. Hall Chadwick Corporate (Vic) Pty Ltd does not hold nor have any interest in the ordinary shares of the Company. Hall Chadwick Corporate (Vic) Pty Ltd was not involved in the preparation of any part of the ASX submission and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in the ASX submission.

Yours faithfully



Mark Bailey
Authorised Representative
**HALL CHADWICK CORPORATE
FINANCE & ADVISORY SERVICES**



Steven Nguyen
Authorised Representative
**HALL CHADWICK CORPORATE
FINANCE & ADVISORY SERVICES**

9 INDEPENDENT TECHNICAL ASSESSMENT REPORT



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Date: November 22, 2022

The Directors
Patagonia Lithium Limited
Level 6
505 Little Collins Street
Melbourne Australia 3000

RE: Modified Independent Geologist's Report on Mineral Properties located in the Puna Region, Argentina called Formentera and Cilón in the Jama Basin, and Tomás III in the Incahuasi Salar, Argentina

Dear Sirs,

Montgomery and Associates ("M&A") has been commissioned by the directors of Patagonia Lithium Limited ("Patagonia") to provide an independent technical report ("Report") on mineral exploration projects in Argentina. The report is to be included in a prospectus ("Prospectus") to be lodged by Patagonia with the Australian Securities and Investments Commission ("ASIC") offering investors the opportunity to subscribe up to 40 million shares at an issue price of \$0.20 per share to raise up to AUD\$8 million under the offer. The funds raised from the offer will be used for exploration and evaluation of the projects.

Reporting standard

The report is a technical assessment report and has been prepared in accordance with the Australian Code for Public Reporting of Technical Assessments and Valuation of mineral assets (VALMIN Code, 2015 Edition). The VALMIN code is binding upon members of the Australasian Institute of Mining and Metallurgy (AusIMM), Australian Institute of Geoscientists (AIG) or a recognised Professional Organization (Society for Mining, Metallurgy and Exploration) as well as the rules and regulatory guidelines issued by the Australian Securities and Investments Commission and the ASX Limited pertaining to Independent Expert Reports (Regulatory Guides RG111 and RG112).

The report is not a valuation report as defined in the VALMIN code, does not express an opinion on the value of the mineral assets or make any assessment on the fairness of the reasonableness of any the transactions related to the offer. Aspects reviewed in the Report may include product prices, socio-political issues, and environmental considerations; however M&A does not express an opinion regarding the specific value of the assets and tenements involved.



Sources of information

The statements and opinions in the report are given in good faith and are based on information provided by Patagonia and its consultants together with relevant information from state government, public domain sources, scientific publications and company announcements. M&A has taken all reasonable checks to confirm the authenticity, accuracy and completeness of the technical data upon which the report is based. Draft and final copies of the report have been provided to Patagonia with written requests to identify any material errors or omissions prior to lodgment. M&A does not accept responsibility for any errors and omissions in information supplied by Patagonia and its consultants.

In compiling the report, a site visit was not undertaken in relation to the three main projects. Based on our professional knowledge and experience and numerous previous visits to the region, the availability of extensive public information and the detailed discussions with those responsible for generating the projects, it was considered that sufficient current information was available to allow an informed appraisal to be made without such a visit. M&A has no reason to doubt the authenticity or substance of any information used in compiling the report.

Reliance on other experts

M&A has not independently verified the ownership and current standing of Patagonia's tenements and tenement applications, or any agreements with third parties in relation to the tenements and tenement applications and is not qualified to make legal representations in this regard. M&A has prepared the report on the understanding that the exploration licenses constituting Patagonia's projects are in good standing at the date of this report. M&A has not attempted to establish the legal status of each of the mineral titles with respect to competing claims or potential environmental or access restrictions.

Competent person statement

The information in this report that relates to exploration results has been reviewed by Mike Rosko, who is a registered member of the American Society of Mining, Metallurgy and Exploration (SME) and is a permanent employee of M&A. Mr. Rosko has sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity he is undertaking to qualify, as a competent person ("CP"), as defined under the VALMIN code and the 2015 edition of the "Australian Code, for Reporting of Exploration Results, Mineral resources and Ore Reserves.

Consents

The CP and M&A consent to the inclusion in full of the report in the Prospectus and to the inclusion of statements made by M&A, in the form and context in which the report in those statements appear and has not withdrawn that consent before lodgment of this Prospectus and with the ASIC.



Yours faithfully.

Michael Rosko, BSc MSc PG
General Manager
Montgomery & Associates Consultores Limitada



**November 22, 2022
Modified Technical Report**

**INDEPENDENT GEOLOGIST REPORT
FOR THE FORMENTERA AND CILÓN, AND TOMÁS III CONCESSIONS,
ARGENTINA**

**Prepared for
PATAGONIA LITHIUM LIMITED**

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TABLE OF CONTENTS

SUMMARY.....	3
INTRODUCTION	4
SOURCES OF INFORMATION	4
GEOLOGY OF PATAGONIA LITHIUM CONCESSIONS.....	5
REGIONAL GEOLOGICAL FRAMEWORK	5
LOCAL GEOLOGIC AND HYDROGEOLOGIC CONDITIONS.....	7
FORMENTERA AND CILÓN	7
TOMÁS III	14
EXPLORATION POTENTIAL.....	17
FORMENTERA AND CILÓN CONCESSIONS	17
TOMÁS III CONCESSION	17
EXPLORATION PROGRAM	18
PLANNED EXPLORATION BUDGET	19
POTENTIAL RISKS.....	21
EXPLORATION RISKS	21
ENVIRONMENTAL RISKS	21
COMPETENCE AND INDEPENDENCE OF AUTHOR.....	23
COMPETENCE	23
INDEPENDENCE AND INTEREST	23
CP REMUNERATION	24
CONSENT AND CONFIRMATIONS	24
REFERENCES	25
GLOSSARY OF TERMS AND ABBREVIATIONS	28

Table of Figures

Figure 1. Regional geology map of the Puna area.....	6
Figure 2. Geologic map for Jama salt flat	8
Figure 3. Explanation of the stratigraphy for the geologic map	9
Figure 4. Geological map for Tomas III project.....	14
Figure 5. Explanation of the stratigraphy for the geologic map	15



SUMMARY

Montgomery & Associates Consultores (M&A) has prepared this modified Independent Geologist's Report to characterize the geology and hydrogeology of the concession areas held by Patagonia Lithium Limited (Patagonia), including: Formentera and Cilón, and Tomás III in the Puna region, in Argentina. This modified Independent Geologist Report (IGR) replaces the previous IGR dated March 15, 2022.

Based on our initial review of the areas, we believe that the area with the most favorable lithium exploration potential are the Formentera and Cilón concessions in the Salar de Jama basin.

The exploration potential of the Tomás III concession is considered by us to be low for lithium because it is not in the center of the basin; it is unknown if the salar aquifer extends at depth to the Tomás III concession. A geophysical survey will be required to test this hypothesis. There may be other economic minerals present, but their evaluation is outside the scope of this report.

Based on this initial investigation and M&A's understanding of the Argentina altiplano, M&A suggests the following proposed exploration program for the Formentera and Cilón concessions. It is recommended that a site visit be conducted to the areas to determine access to the concessions, to collect surface brine samples (if possible), and help validate the following recommendations.

For the Formentera and Cilón concessions, it is recommended to carry out surface geophysics with a CSAMT (Controlled Source Audio-frequency MagnetoTelluric) method, which is a geophysical method that has a proven record of success in salar deposits. The quantity, extension and location of the geophysical lines to be carried out will be determined based on the results of the field visit. If geophysical survey results are favorable with respect to resistivity values and extent of the basin, a single exploration well would be recommended to confirm the existence of a brine aquifer and the presence of lithium at depth.

INTRODUCTION

By request of Patagonia Lithium Limited (Patagonia), Montgomery & Associates Consultores (M&A) has prepared this modified Independent Geologist's Report to characterize the geology and hydrogeology of the Puna region, in Argentina, and also in the concession areas held by Patagonia, including: Formentera and Cilón, and Tomás III. This modified IGR replaces the previous IGR dated March 15, 2022. In addition to a geologic and hydrogeologic overview, the Competent Person (CP) Michael Rosko and M&A have commented on the lithium exploration potential for these concessions based mostly on their experience working with other projects in the Puna area. Finally, the CP has included recommendations for the further exploration program of these areas and the exploration and environmental risks associated to any future exploration program.

Sources of information

For prepare this report, different sources of information were used. The main source of information includes the one provided by Patagonia and public information from other companies. One of the main sources of information was obtained in Servicio Geológico Minero Argentino (SEGEMAR), which is a scientific and technological organization responsible for the geological knowledge in Argentina.



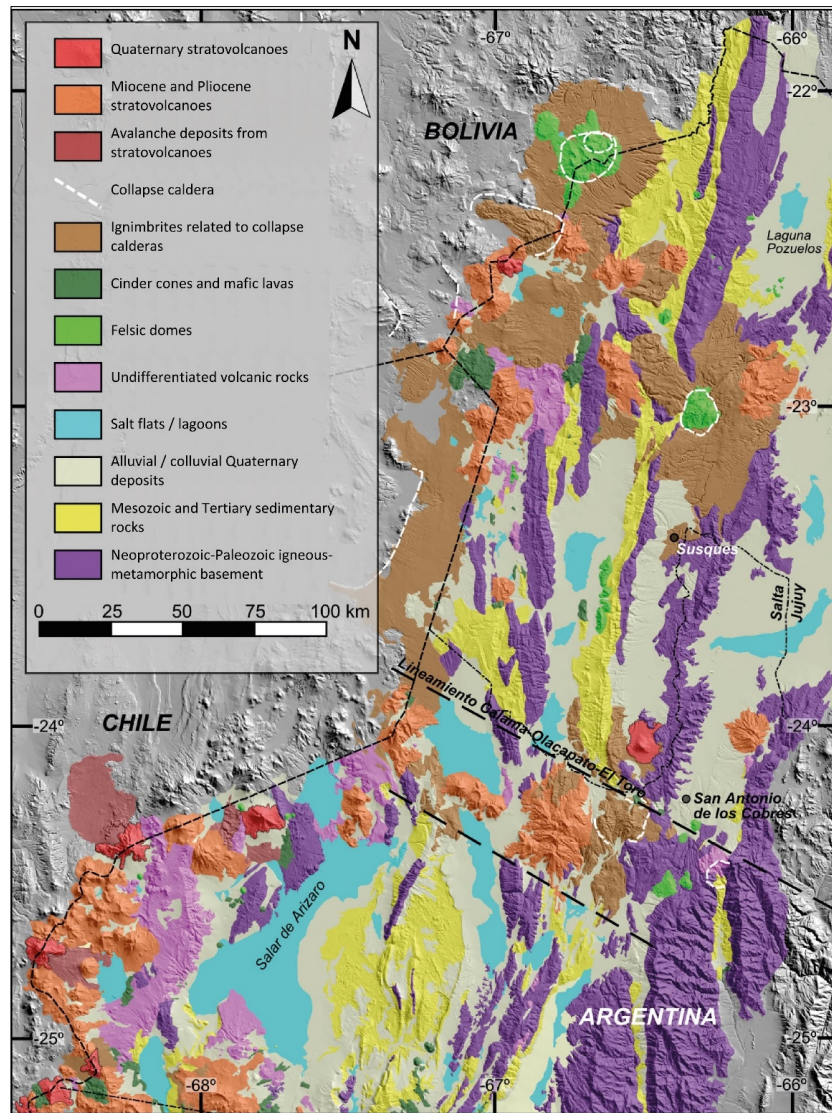
GEOLOGY OF PATAGONIA LITHIUM CONCESSIONS

REGIONAL GEOLOGICAL FRAMEWORK

The Puna Geological Province (Turner, 1972), is characterized by having a structure that controls the compartmentalization of many Andean basins. North-South aligned thrust faults, grabens and semi-grabens frequently create accommodation space, while strike-slip faults can help with basin closure (Salfity et al., 1984). Volcanism also plays an important role, both in the filling of basins and in the closure of basins (Viramonte et al., 1984; Alonso, 1986; Houston et al., 2010).

A wide range of rock types are found within the Puna Geological Province, unconformably overlying the basement rock. In most of the Chile and Argentina - Chile border zone of the region, the basement rock is covered by Tertiary-Quaternary volcanic rocks, including ignimbritic tuffs covered by andesites aged between 10 and 3 million years (Ma) and recent basaltic flows (0.8 - 0.1 Ma) with several tens of meters (m) thick. In some areas, the basement rock is covered by Cretaceous-Tertiary continental and marine sedimentary rocks, the latter as conglomerates, sandstones, siltstones, tuffs, and oolitic limestones (**Figure 1**).

One of the main characteristics of the Puna is the presence of structurally-formed, closed basins, in which extensive salt flats are developed which cover the floors of the basins; the salt flats are typically surrounded by expansive alluvial systems. They generally represent the product of a basin-filling process that begins with the erosion of the surrounding relief, initially depositing colluvial slopes and fan-shaped gravels, which grade upwards into lamellar sands and strand silts, clays, and evaporites. as the basin fills. There are many variants of this model and the tectonic and sedimentary processes that led to the formation of such basins (**Figure 1**). In general, the waters run off towards these closed basins and evaporate, forming salt flats and brines enriched in various metals and salts, sometimes including Lithium (Li), Boron (B) and Potassium (K).



Source: Petrinovic et al., 2017

Figure 1. Regional geology map of the Puna area



LOCAL GEOLOGIC AND HYDROGEOLOGIC CONDITIONS

FORMENTERA AND CILÓN

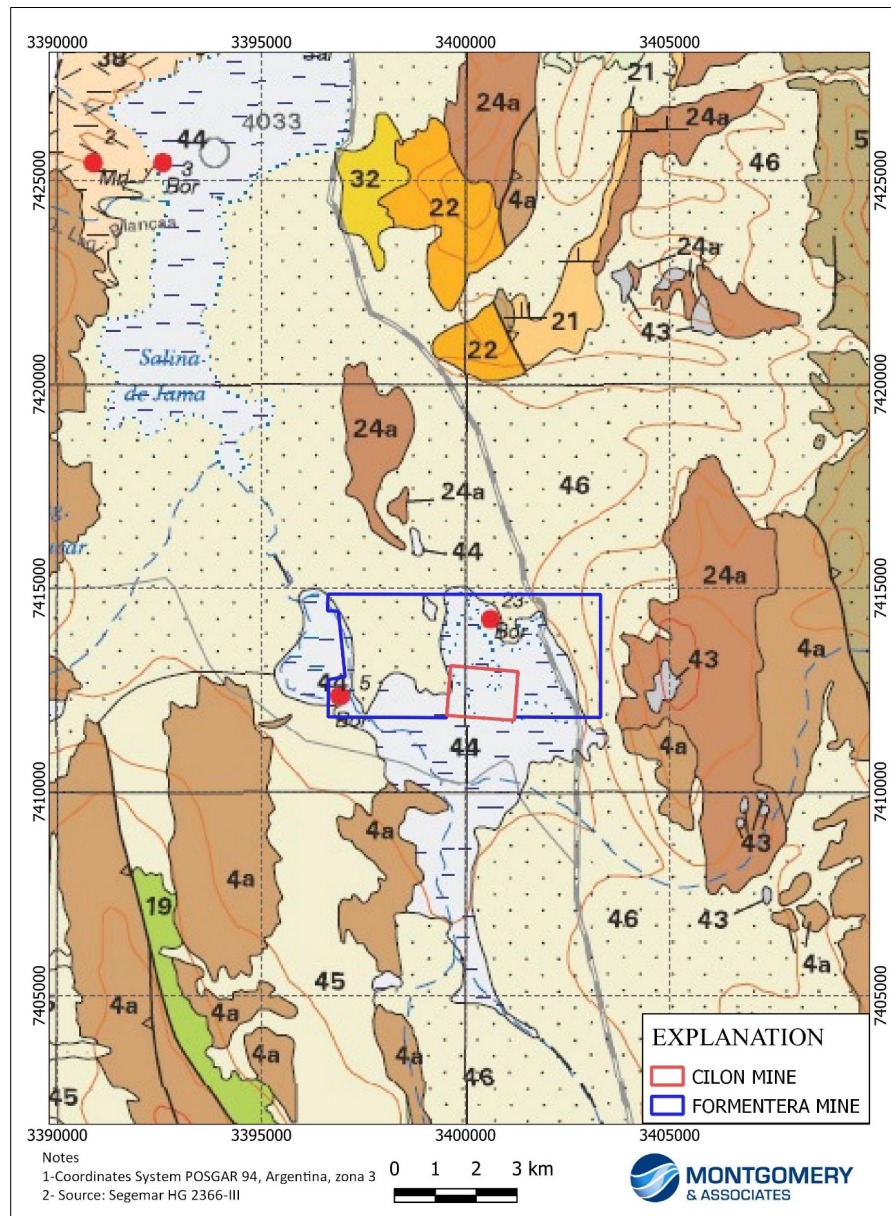
From a morphostructural point of view, the Jama salt flat is in the Puna Geological Province (Turner, 1972), whose characteristics define a style of blocky mountains, which morphologically translate into a series of centripetal depressions and high subparallels with meridian to submeridian orientation.

The Jama depression responds to the style of mountains in blocks, with which the Andean movements structured the Puna. In other words, it is one more of the compartmentalization into which the depressed tectonic belts along the Puna are subdivided. Within this morphostructural scheme, the Sierra de Lina, by the East, forms the elevated block that separates this depression from that of Olaroz-Cauchari. To the West it is limited by the front of the Atana ignimbritic plateau and the Pircas Edge Cordón.

There are two main evaporitic components; the homonymous salt flat and the Silón lagoons. The oldest rocks that outcrop in the area are from the Ordovician that correspond to the Puna volcanic-volcaniclastic complex (Seggiario et al., 2015) and the Puna Turdibite complex, the latter outcropping on the Eastern margin of the Jama salt flat, with a trend north-south forming the Sierra de Lina.

These rocks are covered by sedimentary units of the Tertiary Balbuena Subgroup, Santa Barbara Subgroup, and the Vizcachera Formation, which consist of continental fluvial, aeolian, and locally carbonated lacustrine deposits composed of sandstones, conglomerates, pelites, calcareous sandstones, limestones and tuffs.

The Ordovician and Tertiary units are intruded by Upper Miocene volcanoes that include dacitic-andesitic lava flows and intrusions of dacitic and rhyodacitic domes (Aguiliri Volcanic Complex to the north and Cerro Bayo Volcanic Complex to the south). The sequence is covered in some places by Recent Quaternary sediments (Turner, 1972). Quaternary sediments are abundant, agglomerate facies prevail, comprising cones and glacial deposit of Pleistocene age. Along the Eastern Edge of the salar, the fill rests on peat banks with the paleocryogenic Pleistocene sediments. Silts and sand are concentrated in the vicinity of the margins of the salt flat and the lagoons. With these sediments, lines of lacustrine deposits are observed that allow reconstructing the format of an original lake that covered the area of the salt flat and the remaining lagoons (Alonso and Sorentino, 2009) (**Figure 2** and **Figure 3**).



Source: Segemar HG 2366-III

Figure 2. Geologic map for Jama salt flat



Stratigraphic column based on Geological Sheet 2366-III (Susques)		
Holocene	46	Alluvial Fan Deposits
Holocene	45	Colluvial Depósitos
Middle-Upper Pleistocene	44	Evaporitic Lacustrine Deposits
Middle Pleistocene	43	Andesites and Basalts from Monogenic Volcanoes
Lower Pliocene	38	Atana Ignimbrite
Upper Miocene-Pliocene	37a 37b	Jama Volcanic Complex a) Dacitic Lavas. b) Andesitic Lavas
Upper Miocene	25a 25b	Cerro Bayo Volcanic Complex a) Lactitic-andesitic Lavas. b) Dacitic-riodacitic Domics
Upper Miocene	24a 22b	Aguiliri Volcanic Complex. a) Andesitic Lavas. b) Dacitic Domics
Middle Miocene	22	Vizcachera Formation Upper Member
Lower Miocene	21	Vizcachera Formation Lower Member
Middle Eocene	20	Santa Barbara Subgroup
Upper Cretaceous	19	Balbuena Subgroup
Middle Ordovician	5	Balbuena Subgroup
Lower Ordovician	4a 4b	Volcanic-Volcaniclastic complex of the Puna. a) Coarse facies. b) Fine facies

Figure 3. Explanation of the stratigraphy for the geologic map

Ordovician

Volcanic – volcanoclastic complex of the Puna (Lower Ordovician)

The Puna Volcanic-volcanoclastic Complex defined by Seggiaro et al. (2015) corresponds partially to the Coquena Formation (Schwab, 1973) and to Ordovician rocks of the western belt (Tremadocian – Llanvirnian). It is composed by rhyolitic, andesitic and basaltic lavas interbedded with sandstones, pelites, conglomerates, volcanoclastic deposits and tuffs.

These rocks are composed of volcanoclastic deposits of medium to fine granulometry interbedded with pelites; whose banks have internal graded structures and parallel lamination, outcrop to the East of the basin in the Sierra de Lina where is related to the Puna turbidite complex through an East-verging thrust. They also outcrop towards the Southwest where they form the Cordón de las Pircas.

Puna turbidite complex (Middle Ordovician)

The Puna turbidite complex (Bahlburg, 1990 and Bahlburg et al., 1990) in the area is represented by the Lina Formation (Ramos, 1972). It includes alternating grain-increasing and grain-decreasing turbidite successions of middle-Ordovician age. The turbiditic complex is made up of green, micaceous pellets, arranged in fine lamellar stratification with high fissility. Massive and powerful strata of poorly selected coarse sandstone are interbedded with abundant feldspars, often euhedral, and subangular quartz clast in a matrix of fine sandstone; they have intercalations of coarse grained sandstone with abundant matrix. These deposits extend to the East of the Jama basin integrating the Sierra de Lina.

Cretaceous - Paleocene

Balbuena subgroup (Upper Cretaceous)

The outcrops of sandstone and calcareous sandstone in the area are assigned to the upper sequence of the Balbuena subgroup (Turner, 1959), due to its similarity with the upper part of the Purilactis Group, described in Chile (Charier and Reutter, 1994), of Maastrichtian age.

These rocks correspond to a sequence of dark red shaly pelites interbedded with thin banks of well-cemented fine sandstones; with carbonate cement. The most competent banks are 10 to 30 centimeters (cm) thick, very continuous and tabular, and are composed of fine silty sandstones with desiccations cracks and the presence of secondary gypsum that exists in a large part of the rock (Seggiaro et al., 2015). The outcrops occur on the Eastern slope of the Borde de Pircas range, South of the Jama salt flat. Carbonate cemented sandstones that outcrop on the Sierra de Lina are also included in this subgroup.



Paleocene - Eocene

Santa Bárbara subgroup (Middle Eocene)

The Santa Bárbara subgroup as defined by Moreno (1970), whose age, defined mainly by vertebrate fossils, is between the Riochiquense and the Middle Eocene. This unit crops out near Cerro Aguiliri and is composed of medium-sized sandstones sequences with a silty matrix, brick red in color, arranged in fine to medium stratification with evidence of sandbars. Shale banks that vary from 40 cm to 2 m thick are intercalated with the sandstone.

Miocene

Vizcachera Formation

The Vizcachera Formation (Seggiaro, 2006) is a stratigraphic sequence composed of sandstones and conglomerates. Volcanics are interbedded in the upper units but are absent in the lower units.

Lower member (Lower Miocene)

The lower member consists of medium to thick sandstones and conglomerates of grayish to pinkish and reddish colors. The sandy strata present moderately sorted bimodal granulometry with medium to thick stratification. Lenticular conglomerates, 1 to 2 m wide, are less common than the sandstones; the coarse fraction is exclusively made up of Ordovician sedimentary clasts.

This unit outcrops to the Southwest of the Cordón Borde de Pirca and in the area of Cerro Aguiliri, located to the Northeast of the Jama salt flat.

Upper member (Middle Miocene)

Composed of medium to thick conglomeratic facies at the base, formed by subrounded clasts of Ordovician sedimentary rocks, granites and rounded quartz. The matrix is made up of brownish-red, silty sandstones. In the middle part of the sequence, fine silt beds are interbedded with sandy layers. Near the top of this sequence, red to brown and light green pyroclastic deposits are interbedded. This member is assigned to the Middle Miocene on the basis of an Ar/Ar dating of biotites from pyroclastic rocks interbedded in sandstones, which resulted in an age of about 14.8 Ma. This unit outcrops to the West of the Salar de Jama and to the West of the Cordón Borde de Pirca.

Aguiliri volcanic complex (Upper Miocene)

The Aguiliri complex is made up of a set of subvolcanic bodies of dacitic composition and intrusive, andesitic lavas. The rock composition varies from biotite dacite to hornblende-rich

andesite. Andesitic bodies have a higher proportion of hornblende and low to no quartz and biotite content.

A series of dacite domes outcrop in the vicinity of Aguiliri hill, while lava facies of andesitic composition outcrop to the East and Southeast of the salar de Jama. To the East of the Jama salt flat, the andesitic flows rest unconformably on the Upper Member of the Vizcachera Formation.

Volcanic complex Cerro Bayo (Upper Miocene)

This complex is made up of volcanic agglomerates overlain by tuffs and lava layers of dacitic-andesitic composition. This complex crops out on Cerro Bayo, at the southern end of the depression of the Jama salt flat.

Jama volcanic complex (Upper Miocene – Pliocene)

The complex is composed of dacitic lavas that constitute the basal unit of the Jama volcanic complex. They are porphyric, dark brown in color, with plagioclase phenocrysts, ferromagnesian minerals, and scarce quartz. They present flow structures, with the breccia base separated into blocks of up to 50 cm in diameter (Medina, 2003). The upper unit is made up of andesitic lavas, dark greyish-green color with reddish discolorations, composed of plagioclase (oligoclase) and glass, with minor opaque minerals and lithic fragments.

This complex forms the Java volcano, which is located north of the pass that bears its name and passes through its summit the border with Chile. The lava occurs both in Argentine and Chilean territory.

Pliocene

Atana Ignimbrite

The Atana Ignimbrite (Gardeweg and Ramirez, 1987), is rhyodacitic in composition, with at least four major flow units, which may be separated by thin pyroclastic fall or surge deposits. It extends in the form of a mantle covering the plain located between the high peaks that form the Chilean - Argentine border. Its largest extension is in Chile and extends to Southwest of the Jama salt flat in Argentinian Territory.

Pleistocene

Andesites and basalts from monogenic volcanoes (Middle Pleistocene)

The monogenic bodies that outcrop to the west of the Sierra de Lina and rest unconformably on andesitic lavas of the Aguiliri Complex. They consist mostly of scoria cones and andesitic-basaltic



flows. A detailed description of its bedrock and composition can be found at Coira and Caffè, 1999.

Evaporitic lacustrine deposits

These deposits are composed of chloride, sulfate and borate minerals, interbedded with pelitic deposits. The active volcanism during the development of these salt flats contributed different ions into the system, which today is expressed in important volumes of various salts, with a predominance of sodium chlorides (Alonso, 1999b).

The Jama salt flat has two saline bodies. One to the north, which forms the Jama salt flat itself; this deposit is earthy with little participation of dense salt crusts. There they form pieces of thin, rough crystalline crust, composed of halite and gypsum impurities and earthy material. In the silty-sandy subsoil, a discontinuous 5 cm thick bed of ulexite was detected.

In the silty sediment of the Eastern edge of the salt flat, ulexite was recognized in small concretions (potatoes), at a depth of 20 cm. The same occurs in the southeast sector of the salt flat, where it is also in contact ulexite (Alonso and Sorentino, 2009).

In the Silón lagoon, located to the southeast of the salt flat where the Formentera and Cilón mining concessions are located, relatively abundant ulexite has been subject to discontinuous exploitation for many years (Alonso and Sorentino, 2009).

Holocene

Colluvial deposits

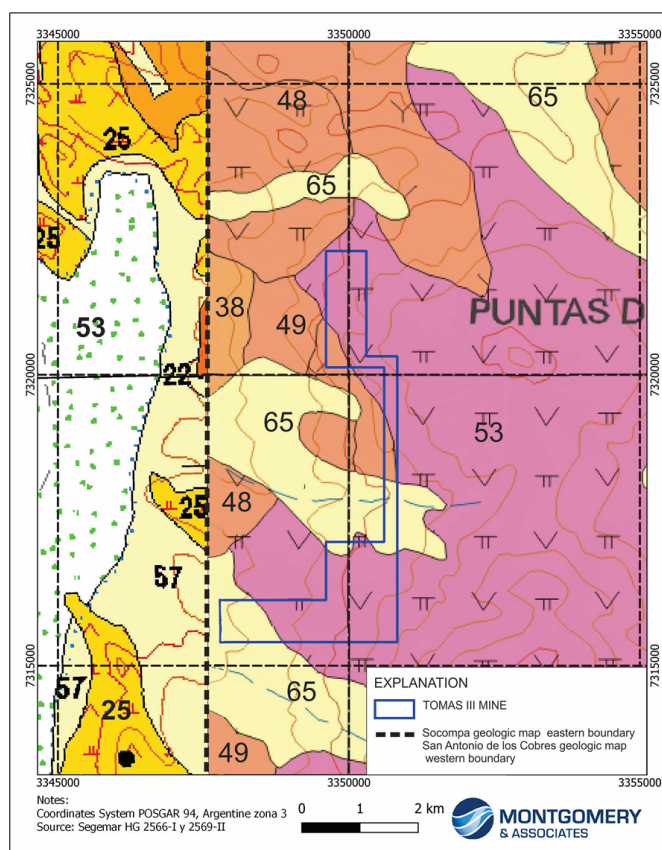
They are made up of unconsolidated, poorly sorted materials, ranging in size from blocks and boulder to fine sands. These debris originate from weathering the mountains. They appear widely distributed in a discordant way on the substrate and have variable thicknesses that increase towards the lower zones.

Alluvial fan deposits

Alluvial fans form large sedimentary deposits with stratified layers of gravel and sand that grade to silt and evaporite towards the distal sectors. The youngest alluvial fans in these basins are superimposed on the previous ones, and are actively being deposited. In the distal sectors they intercalate with each other as they grow toward the lower parts of the basin floor.

TOMÁS III

The Tomás III concession is located east of the Incahuasi salt flat, on the western slope of the Chivinar and Guanaquero volcanic complexes. The oldest rocks in the area are Tertiary sediments that correspond to the Pastos Grandes Group. These deposits are isolated on the lower western slope of Chivinar hill and on the southern side of Guanaquero hill. The rest of the rocks that dominate the area are of volcanic origin. Volcanic rocks consist mostly of andesites, dacites and ignimbrites of upper Tertiary age. The lower parts between the volcanic outcrops consist of Quaternary poorly consolidated to unconsolidated sedimentary deposits, that form colluvial and alluvial deposits. The Quaternary fill terminates at the evaporite deposits, which form salt flats in the central areas of the basins (Figures 4 and 5).



Source: Segemar HG 2366 I and HG 2569 II

Figure 4. Geological map for Tomás III project



Stratigraphic column based on Geological Sheet 2569-II (Socompa)			Stratigraphic column based on Geological Sheet 2566-I (San Antonio de los Cobres)		
Holocene	57	Pedemontano Deposits, Alluvial and Colluvial deposits	Holocene	65	Alluvial and Colluvial Deposits
Holocene	53	Evaporitic Lacustrine Deposits	Pleistocene	53	Rumibola Formation
Upper Miocene	25	Incahuasi Formation	Upper Miocene	50	Tajamar Formation
Upper Miocene	22	Portomán Volcanic Complex	Upper Miocene	49	Agua Caliente Formation
			Upper Miocene	48	Pucará Formation
			Middle-Upper Eocene	38	Pastos Grandes Group

Source: Segemar HG 2569 and 2566 I

Figure 5. Explanation of the stratigraphy for the geologic map

Eocene

Pastos Grandes group (Middle to Upper Eocene)

The Pastos Grandes group crops out on the lower part of the western slope of Chivinar hill. It is composed of coarse, poorly-sorted conglomerates of a light reddish color. Clasts include quartz, quartzite, granite, volcanic rocks, phyllites, schists, hornfels and limestones.

Miocene/Pliocene

Agua Caliente Formation (Upper Miocene)

The Agua Caliente Formation crops out in the circular structure, a possible collapsed caldera, East of Incahuasi swamp, below the Guanaquero and Chivinar volcanic flows (Blasco et al., 1996).

Turner (1964) described them as rocks with grayish tones, with a porphyritic structure, which have abundant feldspar phenocrysts of up to almost 1 cm that are arranged very closely to each other. On the western slope of Chivinar hill, andesitic dacites and porphyries show evidence of hydrothermal alteration (Koukharsky, 1988). They are covered by tuffs and ignimbrites from the Tajamar Formation and unconformably by andesite, dacites and ignimbrites and tuffs from the subsequent volcanic cycle that correspond to the Rumibola Formation.

Pucara Formation (Upper Miocene)

Turner (1964) grouped under this denomination the quartziferous dacites and andesites with their corresponding pyroclastic elements, dacitic tuffs. These rocks form thin black mantles, broken up into blocks and affected by tectonics. They crop out to the North of Chivinar and East of the Incahuasi wetlands; the latter are lava flows with a porphyritic texture (Koukharsky, 1988). In the Socompa geological sheet they are referred to as the Incahuasi Formation.

Tajamar Formation (Upper Miocene)

The Tajamar Formation corresponds to a set of pyroclastic rocks, dislocated dacitic and andesitic lava flows, that are older than the Chivinar and Guanaquero volcanic complexes (Koukharsky, 1988). The tuffs are fine, vitreous with a clayey matrix of greenish tones. The outcrops of ignimbrites present hydrothermal alteration whose most notable exponent is that of the western caldera of the Chivinar hill. These same deposits in the Socompa geological sheet are included in the Portomán volcanic complex.

Rumibola Formation (Pliocene)

The Rumibola formation (Turner, 1964) is composed of andesitic lavas and subvolcanic bodies that frequently have a characteristic reddish alteration color. Locally they form the body of the Guanaquero and Chivinar volcanoes (Koukharsky, 1988). In the Guanquero and Chivinar hills, The Rumibola Fm. unconformably covers the andesites, dacites and ignimbrites of the Pucará, Agua Caliente and Tajamar Formations.

Holocene

Evaporite deposits

Evaporite deposits occupy the central part of the basin. They are composed of chloride, sulfate and borate minerals, interbedded with pelitic deposits. (Alonso, 1999b). The Incahuasi salt flat has a characteristic crusty surface, with the development of polygons up to 2-3 m in diameter and up to 50 cm thick.

Alluvial and Colluvial Deposits

These deposits are made up of unconsolidated materials, from blocks to boulders to sand. They appear widely and have variable thicknesses that increase towards the lower areas. Alluvial fans form large sedimentary deposits with stratified layers of gravel and sand that grade to silt and evaporite towards the distal sectors. The youngest alluvial fans in these basins are superimposed on the previous ones, and are actively being deposited. In the distal sectors they intercalate with each other as they grow toward the lower parts of the basin floor.



EXPLORATION POTENTIAL

Based on this initial, independent characterization of the geology and hydrogeology of the three areas of interest, M&A is providing a preliminary assessment of the exploration potential for the concession areas with respect to lithium. Because no exploration activities are known to have been conducted for any of the three concession areas, this preliminary assessment is based on the following criteria:

- Enriched lithium brine in the surrounding area,
- Basin type and size (preferably a large, internally-drained basin), and
- Potential for a transmissive, sedimentary aquifer to contain a lithium-enriched brine.

The exploration potential does not factor in the size of the concession or the province it is located in. For example, a small concession may not be large enough to support a mine, but it may have land value as part of a larger package which would justify exploration.

FORMENTERA AND CILÓN CONCESSIONS

Based on the criteria described above, we believe that the area with the most favorable lithium exploration potential are the Formentera and Cilón concessions in the Salar de Jama basin.

This basin contains saline groundwater with abundant deposits of borates, mainly ulexite and tincal. Based on satellite images, it appears that the basin is hydraulically closed and internally draining. This is an important element for the long-term evapo-concentration of lithium brine. In addition, the occurrence of evaporite deposits is favorable for lithium enriched brine; many of the closed basins in the altiplano where enriched brine occurs are associated with borate deposits.

Based on our understanding of the basins in the altiplano, we believe that there is substantial potential that there is a sedimentary aquifer in the concession area. Therefore, we believe that with respect to the three initial criteria used to evaluate exploration potential, the Formentera and Cilón concessions have the best potential for encountering a lithium-enriched brine.

TOMÁS III CONCESSION

The Tomás III concession is located just outside of the Incahuasi Salar where exploration drilling for lithium brine has occurred by other companies. Because the concession is located mostly on the flank of a volcano, and not in the Incahuasi basin, we believe that the potential for there to be a sedimentary aquifer enriched in lithium beneath the volcanic flow is low. In addition, the access to the concession appears to be poor due to lack of roads and level land. Although there may be brine under the volcanic flow, it is likely to be located at large depths.

EXPLORATION PROGRAM

Based on this initial investigation and M&A's understanding of the Argentina altiplano, M&A suggests the following proposed exploration program. Prior to doing any of the exploration activities, it is recommended that a site visit be conducted to each of the areas to determine access to the concessions and help validate the following recommendations.

For the Formentera and Cilón concession, it is recommended that, if possible, samples of surface brine or brine from shallow trenches should be obtained to confirm the reported results from previous exploration. Subsequently, it is recommended to carry out surface geophysics with CSAMT (Controlled Source Audio-frequency MagnetoTelluric) and/or VES (Vertical Electrical Sounding) methods, which are the geophysical methods that have a proven record of success in salar deposits. The quantity, extension and location of the geophysical lines to be carried out will be determined based on the results of the field visit. If geophysical survey results are favorable with respect to resistivity values and extent of the basin, a single exploration well would be recommended to confirm the existence of a brine aquifer and the presence of lithium at depth.

For the Tomas III concession, because of its proximity to the salar proper, similar geophysical surveys may be conducted to determine the potential for a subsurface aquifer system that could be enriched in lithium. In addition, exploration drilling and sampling in the mineralized zone could help determine the potential for non-lithium mineralization at the concession. The proposed exploration programme contemplates a CSAMT survey across three sections of the concession and pending the results, a drill hole will be completed to test the resistivity results from the survey.

At \$234 per metre for HQ plus \$18,000 mobilization and demobilization, excluding camp costs approximately \$160,000 or 600m diamond drill hole could be completed according to the budget proposed.



PLANNED EXPLORATION BUDGET

Patagonia proposes to fund its intended exploration programs over the Tomás III, Formentera and Cilón concessions as outlined in the table below from the proceeds of the initial public offer (A\$8M):

Tomás III		
Activity	Year 1 (A\$)	Year 2 (A\$)
Sampling	\$13,000	\$13,000
Drilling	\$180,000	\$180,000
Geophysics (CSAMT, VES)	\$84,000	\$84,000
Geochemistry	\$21,500	\$21,500
Hydrology	\$0	\$0
Other (incl. reports, mapping)	\$62,500	\$62,500
Total	\$361,000	\$361,000

Formentera		
Activity	Year 1 (A\$)	Year 2 (A\$)
Sampling	\$33,500	\$33,500
Drilling	\$0	\$0
Geophysics (CSAMT, VES)	\$128,000	\$128,000
Geochemistry	\$92,500	\$92,500
Hydrology	\$0	\$0
Other (incl. reports, mapping)	\$87,500	\$87,500
Total	\$341,500	\$341,500

Cilón		
Activity	Year 1 (A\$)	Year 2 (A\$)
Sampling	\$6,500	\$6,500
Drilling	\$0	\$0
Geophysics (CSAMT, VES)	\$67,500	\$67,500
Geochemistry	\$40,000	\$40,000
Hydrology	\$0	\$0
Other (incl. reports, mapping)	\$46,000	\$46,000
Total	\$160,000	\$160,000

The budget will be spent on the Tomás III, Formentera and Cilón concessions based EIAs that are approved by and updated with the Argentinian governmental authorities. The exploration budget will be subject to modification on an on-going basis depending on the results obtained from



exploration and development activities on the Tomás III, Formentera and Cílón concessions as they progress.

It is considered that Patagonia has a reasonable proposed exploration budget over two (2) years consistent with its stated objectives and that this budget is warranted and justified on the basis of reasonable potential for identification of lithium brine and/or other metallic mineral deposits. Depending on the results from the year 1 exploration, the year 2 budgeted activities may be modified to focus on areas that demonstrate the most economic potential.



POTENTIAL RISKS

EXPLORATION RISKS

Any hydrogeological exploration campaign has some risk associated with it. The main risk of a lithium brine exploration campaign is loss of cash and other resources if exploration does not achieve the desired results, either by not encountering economic grades of lithium, not obtaining the desired extraction flows, or incomplete results that require additional exploration activities. The worst risk is not encountering lithium.

At present it is not possible to determine the potential for success of an exploration program. However, a detailed analysis of the existing information, especially the geological and hydrogeological information available, as well as the analysis of existing satellite images and a visit to the place to be explored by highly trained personnel, may elucidate or reduce these risks.

Potential risks in exploration programs in the concession areas includes those imposed by the local indigenous communities. The potential risks include time delays, or denial of obtaining exploration drilling permits, and/or additional costs resulting from negotiating with the communities for access.

Finally, additional risks associated with exploration programs include potential injury to the exploration workers, and potential damage to equipment or the environment. Although it is impossible to eliminate entirely the risks from workplace accidents, training and proper health and safety protocols and safeguards can minimize the potential for harm.

ENVIRONMENTAL RISKS

The proposed exploration tasks do not pose significant environmental risks that could cause irreversible damage to the environment. In the case of the Formentera and Cilón concessions, where the greatest variety of exploration activities is proposed, these require a minimum level of intervention consisting of non-destructive geophysical measurements, surface sampling in natural springs, bodies of water, or construction of small trenches to catch water from saline aquifer. The activities will require entry in 4x4 trucks through existing roads. In this stage, the construction of roads or other works that include the use of heavy machinery is not foreseen.

It should be remembered that any activity must be conducted according to Law No. 24,585 of Environmental Protection for Mining Activity of the Argentine Republic, as well as in accordance with provincial laws and decrees. Given the exploration activities proposed for Formentera and

Cilón, these may be included in the Environmental Impact Assessment (EIA) reporting for the Exploration Stage.

The following precautionary measures are recommended for carrying out exploration tasks:

- Minimize and prevent actions that may reduce the vegetation cover that is naturally scarce in the project area,
- Prevent and avoid the introduction (accidental or intentional) of exotic or invasive species to the project area since they can cause disturbances in the flows of matter and energy and in ecosystem services, also potentially causing the loss of biodiversity, and exclusion of native species,
- Plan preventive measures to avoid or minimize the fragmentation of biological corridors.
- Participation in all informative meetings organized by the authority and the communities in the project area,
- Favor the use of local labor, including adequate training of all personnel,
- Prohibit the collection and/or manipulation of archaeological material, understanding this situation as one of potential severe impacts,
- Restrict the circulation -on foot or by motorized vehicle- of the personnel through the exploration area and any areas previously identified as sensitive or in need of protection, and
- Promote respect for current religious symbols, understanding that they are an active part, and therefore highly relevant, of the local culture.



COMPETENCE AND INDEPENDENCE OF AUTHOR

COMPETENCE

Michael Rosko (“CP”) of Montgomery & Associates Consultores Limitada (M&A), Avenida Vitacura 2771, Las Condes, Santiago de Chile, has been commissioned by Patagonia Lithium (the “Company” and together with its subsidiaries, the “Group”), to prepare an Independent Geologist’s Report (the “IGR”) for the geology and proposed exploration program included on this report. The modified IGR has been prepared by CP as of November 22, 2022 based on information and data supplied by the Company and obtained independently by M&A from public sources, and replaces the previous IGR dated March 15, 2022.

CP has the relevant and appropriate qualifications, experience and technical knowledge to professionally and independently appraise the assets, being all assets, licenses, permits, joint ventures or other arrangements owned by the Company or its subsidiaries proposed to be exploited or utilized by them (“Assets”) and liabilities, being all liabilities, royalty payments, contractual agreements and minimum funding requirements relating to the Company’s work program and Assets, (“Liabilities”) in Cilon, Formentera, and Tomás III which we have reported on.

The CP is an internationally recognized, employee of Montgomery & Associates Consultores Limitada and is not a sole practitioner. All consultants used in the preparation of the IGR are members in good standing of a recognized self-regulatory organization of engineers and/or geoscientists, are employed directly by CP and have relevant professional experience.

The CP is a Registered Member of the Society for Mining, Metallurgy and Exploration, member #4064687. The CP graduated from the University of Illinois with a Bachelor’s degree in geosciences in 1983, and from the University of Arizona with a Master’s degree in geosciences in 1986. The CP is a registered professional geologist in the states of Arizona (25065), California (5236), and Texas (6359).

The CP has practiced his profession for 36 years, and has been directly involved in design of numerous exploration and production well programs in salar basins in support of lithium exploration, and estimation of the lithium resources and reserves for many other lithium projects in Argentina and Chile, and is recognized as such as defined in the 2012 Australasian Joint Ore Reserves Committee (JORC) code.

INDEPENDENCE AND INTEREST

CP is independent of Patagonia Lithium Limited, its directors, senior management and its advisers. Neither Montgomery & Associates or its directors, employees or company associates have any



commercial interest, either direct, indirect or contingent in Patagonia Lithium nor in any of the assets reviewed in this report nor hold any securities in the Patagonia Lithium, its subsidiaries or affiliates nor have received, directly or indirectly, any securities from the Patagonia Lithium.

CP REMUNERATION

The only commercial interest CP has in relation to Patagonia Lithium is the right to charge professional fees to the Company at normal commercial rates, plus normal overhead costs, for work carried out in connection with the preparation of the IGR. The payment of fees to CP is in no way contingent upon conclusions contained in the IGR.

CONSENT AND CONFIRMATIONS

Based on the information provided to CP and to the best of its knowledge, CP has not become aware since the CPR was compiled, of any matter which would require a change to the CPR in order to make the CPR materially accurate and not misleading, and CP is not aware of any matter in relation to the CPR that it believes should be and has not yet been brought to the attention of the addressees of this memo.

CP hereby gives consent to use of the CPR by Patagonia Lithium Limited.



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GLOSSARY OF TERMS AND ABBREVIATIONS

The metric system (SI system) units of measure are used in this report unless otherwise note.

List of abbreviations

Ar/Ar	Argon argon ratio
A\$	Australian dollars
B	Boron
cm	Centimeter
CP	Competent Person
CPR	Competent Person's Report
CSAMT	Controlled Source Audio-frequency Magnetotelluric
K	Potassium
km	Kilometer
m	Meters
Ma	Million years
mg/L	Milligrams per liter
Li	Lithium
VES	Vertical Electric Sounding

Glossary of terms

Basement rock:	Hard rock below a sedimentary platform or cover, or more generally, any hard rock below sedimentary basins.
Cretaceous:	Term for the geologic period from about 145 to 66 million years ago.
Fault:	A planar fracture or discontinuity in a volume of rock across which there has been significant displacement as a result of rock mass movement.
Formation:	Body of rock having a consistent set of physical characteristics that distinguishes it from adjacent bodies, and which occupies a particular position in the layers of rock.
Graben:	Depressed block of the crust of a planet, bordered by parallel normal faults.



Quaternary:	Term for the geologic period from 2.6 million years ago to the present.
Salt flat:	Flat expanses of ground covered with salt and other minerals. They are typically found in desert environments with large evaporation potential.
Sedimentary rock:	Types of rocks formed by the accumulation or deposition of mineral or organic particles at Earth's surface, followed by cementation.
Tertiary:	Term for the geologic period from 66 to 2.6 million years ago.
Volcanic rock	A rock formed from lava erupted by a volcano.

10 ARGENTINIAN INDEPENDENT SOLICITOR'S REPORT

PATAGONIA LITHIUM MINING PROJECT

SALTA - JUJUY

DUE DILIGENCE REPORT

NOVEMBER 22TH, 2022





PATAGONIA LITHIUM LTD.
DUE DILIGENCE REPORT

Re: Mining properties legal status
at Salta and Jujuy provinces.

To the Board of Directors of Patagonia Lithium Ltd. ("the Company"),

We have reviewed the current legal status of several mining properties pertaining to the Patagonia Lithium Mining Project, at Salta and Jujuy Provinces, Argentina (the "**Project**") - these properties indistinctly and jointly called the "**Mining Properties**" or "**Properties**". This report has primarily focused on Properties compliance with the requirements of the Argentine Mining Code (the "**AMC**") and related regulations to maintain its good standing. Please bear in mind, that we have not review the complete files *in situ*.

The review has been performed over digital copies provided by Salta and Jujuy lawyers, Sebastian Virgili and Andrea Clapier, respectively and it has not included a visit to the Project facilities or interviews with personnel of the Company or environmental authorities. Failure to perform certain works, make investments, or payments in further stages of the process may cause the loss of the Properties. Alternative ways to mitigate the risk include: (i) obtaining access to the mining files, (ii) obtaining copies of the mining files, (iii) obtaining a certificate from the mining authority stating the status of the Mining Properties, (iv) obtaining an updated legal opinion over the mining titles, (v) obtaining a representation in the investment contract stating that the Properties are in good standing.

The Project comprises of three (3) mining properties requested under the provisions of the Argentinean Mining Code, named Tomas III, Formentera and Cilon, the first two located in department of Los Andes, province of Salta, and the latter located in department of Susques, province of Jujuy all of them in the Republic of Argentina.

Considering the above, we can state that the mining rights are in force and in process, so as long as they remain in force, there is no danger of loss of rights. Notwithstanding, the matters expressed above should be carefully assessed.

A. Introduction

As per your request, we have reviewed the current legal status of several mining properties (the “**Properties**”), which in conjunction they constitute the “**Patagonia Mining Project**” (hereinafter, the “**Project**”). This report, has primarily focused on (i) ownership status regarding each of the Mining Properties as reflected in the Properties’ files, (ii) such Properties compliance with the requirements of the Argentine Mining Code (the “**AMC**”) and related regulations to maintain its good standing and (iii) environmental matters. Section I provides further details of the Properties situation.

B. Brief Legal Overview.

According to Argentine Political State Organisation, the mines belong to the Provinces, which grant the exploration and exploitation concession rights to the applicants. However, the Federal Government is entitled to enact the AMC, which is applicable to the whole country, while the Provinces have the power to regulate the procedure aspects ruled by the AMC through each Provincial Mining Procedure Code (the “**PMPC**”) and to organize its local authorities.

a. Mining Properties:

According to the AMC there are two types of mining rights, the exploration and exploitation concessions, both being exclusive:

- i. **The exploration concession (“Cateo”):** the holder of the right can explore the area during the period granted. In case of discovering a mine, the holder has an exclusive right to apply for an exploitation concession.
- ii. **The exploitation concession (“Mina”):** It has no time limit provided the holder complies with the requirements of law, which are basically, the annual payment of a canon, the compliance of the working and investment plan, and the submission of an environmental impact assessment that must be updated every two years.



b. Mining obligations:

Holders of mining activities must comply with several obligations established in the AMC and its regulations during the two stages settled for the mining activity. Note that according to the Argentine mining legislation the principle “*prior in tempore prior in jure*” is the rule. Therefore, provided there are no overlapping and the legal proceedings are fulfilled, there are practically no risks for the first applicant, to get the concession in due time.

c. Exploitation Period:

Under the AMC there are three main obligations that the titleholders should fulfil in order to keep its mining right. The non-compliance of such obligations may result in the cancellation of the exploitation permit:

(i) Payment of the canon:

The canon is a payment that holders of mining exploitation rights are obliged to make, in advance, twice a year -before June 30 and December 31- of each year, in two equal instalments. Failure to comply with this obligation for fourteen consecutive months **results in the cancellation of the mining right.**

However, the titleholder can recover the mining right during 45 days after being notified by the Mining Court, by paying the canon plus 20 % charge as a fine.

According to the AMC the amount to be paid is AR\$ 3200 per unit of tenement or property (pertenencia). When a new mine is discovered the owner has 3 years free of canon payment.

(ii) Legal Labor and Legal Survey:

In order to perfect the exploitation title the holder should fulfil the following steps settled by the law:

- Within 100 days or its extension if applicable of the registry, the concession holder should perform a legal labor, consisting basically in a field work which will allow the delimitation and determination of the mine.
- Having elapsed 30 days from the legal labor delimitation, the holder must apply for the legal survey. The Mining Authority must authorize the professional that will carry out the work and establish the date in which it will take place. Once the survey is done, the Secretary shall approve it and the title of the concession will be perfected after being registered in the Mining Cadaster. The failure to comply with the legal survey **results in the cancellation of the mining right.**

(iii) **Working and Investment Plan:**

Holders of exploitation concessions are obliged to submit a working and investment plan to achieve a minimum production equivalent to 300 times the annual canon paid, within five years following the year in which the application of the legal survey is submitted. During each of the first two years the amount of the investment shall not be less than 20 %, and the rest of the investment (60 %) freely distributed during the remaining three years.

Every year, an affidavit describing the investment done must be submitted before the Mining Court. In case failure to submit the affidavit or it does not correspond with the actual investment, **the license shall expire and the mine is declare vacant**, unless the holder amend the mistake or omission during 30 days, since the notification of the Mining Court has been received by the holder.

(iv) **Environmental Impact Assessment:**

The EIA for the exploitation period must be submitted once the concession has been granted and before starting with the field works, according to the requirements settled by law. The issuance of the EIA approval named “DIA” (Declaracion de Impacto Ambiental for its Spanish acronym) allows the holder of the mining property to perform the allowed activities.

Every two years the DIA must be updated. The failure to comply will carry the **imposition of penalties such as fines and warnings**.

CONCLUSIONS

As per our review, the Properties are in good standing in accordance with the applicable laws as it is provided below.

Scope of Review

The main purpose of our assessment was connected to the following *Manifestaciones de Descubrimiento* (“**Exploitation Concessions**” or “**MD**”) applications as per Title IV of the Argentine Mining Code (“**AMC**”) (Collectively, Exploitation Concessions are referred as the “**Tenements**” or “**Mining Properties**”):

- Province of Salta:
 - ✓ Mine Tomas III – File No. 24,142. Mineral discovered: Copper.
- Province of Jujuy:



- ✓ Mine Formentera – File No. 815/P/2006 and 857/P/2007 (since the File had to be reconstructed). Mineral discovered: Gold, Copper, Lithium and Borate.
- ✓ Mine Cilon – File No. 121/I/1983. Mineral discovered: Lithium and Borate.

General considerations:

Ownership:

The mining properties were requested according the following detail:

- ✓ Mine Tomas III: Sebastian Virgili San Millan requested it in August 08, 2019. The property was granted to Sebastian Virgili San Millan on 07/04/2022.
- ✓ Mine Formentera: The property was granted on 07/20/2022 duly notified to the Company on 08/04/2022.
- ✓ Mine Cilon: The property has **not** been granted yet, however, Oscar Adolfo Zeballos (the “Holder”) has an exclusive right over the property. The property Holder has comply with all the legal requirement for the granting of the property, therefore, according to the information reviewed, there are no formal impediments for the granting of the Property. Moreover, based on the outstanding environmental approval report, dated 05/13/2022 -see Section I-, the Company is entitled to perform surface exploration activities.

Properties Location:

Mina Tomas III is located in a *natural reserve area*, therefore, the owners are required to comply with certain obligations in order to carry out mining activities. Mina Tomás III is located within the *Los Andes Multiple-Use Reserve*. The polygon of interest lies within the limits of the mentioned reserve, including the **Sustainable Use Zone**, corresponding in its totality to the **Multiple-Use Sub-zone**. The **Sustainable Use Zone**, aims to “safeguard the traditional architectonic identity of the Puna people and to seek harmony between the development of industrial infrastructure and the landscape particularity, through permitted land uses and their respective zoning”.

This zone, as well as its **Special Management Sub-zones and Multiple-Use Sub-zones**, **is compatible with the development of extractive activities, such as mining, as long as these are developed in a framework of social and environmental responsibility**, applying criteria and good practices that contribute to the maintenance of natural processes and landscapes, and to ecosystem functioning.

The **Multiple-Use Sub-zones** aims to harmonize productive activities and the development of linear infrastructure development with the main natural processes,

especially connectivity of animal and plant populations and the structure of the landscape. For this sub-zone, it is established **that environmental impact studies of the different ventures that may be developed in the region must pay special attention to the protection of the landscape of the zone, which constitutes a natural and cultural heritage and a tourist attraction of great value.**

The construction of new tracks and roads that may threaten the integrity of this landscape value should be limited. It is also requested that, within the framework of the evaluation of the respective environmental impact studies, mechanisms of participation with other institutions linked to the management of the territory be ensured, seeking to prevent undesired impacts and the safeguarding of the natural and cultural heritage of the reserve.

Mina Formentera and Cilon. They are both located in Salar de Olaroz, Departamento de Susques, Jujuy. There is an overlap between the two properties. There is also an overlap between the Formentera mine and the San Benito mine. We recommend reviewing the geographic location of the properties with a specialist surveyor.

In addition, it is important to consider that the required area has a superficial community living on it. Aboriginal communities: Aboriginal community of Olaroz Chico, with title registered in the Dirección Provincial de Inmuebles (Provincial Real Estate Office). The holders of Minas Formentera and Cilon have completed negotiations with the Olaroz Chico group enabling access to and exploration activities to be undertaken by the holders (in accordance with valid EIRs approved by the Mining Authority).

Main AMC requirements compliance.

In order for the permanent ownership of the Properties to be registered with the relevant authority, the requirements of the AMC must be met which include i) canon, ii) legal labor, iii) survey request and iv) 5-year investment plan. The status of the main AMC requirements with respect to each Property is summarised below.

i. Mining Fee (“Canon”)

The AMC establishes the obligation of the titleholder to pay an annual fee per *Claim*. There is no evidence of the cannon payments regarding the properties. The lack of evidence of payment of the canon may eventually trigger the declaration of vacancy of such mining property. No canon is yet due for Mina Tomas III and Mina Formentera pursuant the provisions established by Section 224 of the MC which exempts the holder to pay within 3 years as from the concession of the mining property. Regarding Cilon mining property no canon is yet due since it has not yet been granted. However, as stated above, Section 224 of the AMC also states that discoverers shall be exempted, for a three (3) year period, from paying the



mining fee in connection with those mining properties that they are awarded.

ii. Legal Labor

This obligation has been complied for Mina Tomas III on 8/6/2022.
This obligation has been complied for Mina Formentera on 9/30/2022.
This obligation is not yet due for Mina Cilon since this property has not been granted yet.

iii. Survey Request

This obligation has been complied for Mina Tomas III 8/6/2022.
This obligation is not yet due for Formentera and Cilon Mining Properties.

iv. 5-year Investment Plan.

Not applicable yet.

Environmental Impact Reports

Mining activity is highly sensitive to compliance with environmental obligations, failure to comply with which can result in fines and revocation of the environmental permit to proceed with further exploration or development of mining properties, as well as opposition from surrounding communities to the installation of a mine.

Although compliance with environmental obligations is not a condition of protection of the mining property, the fact is that non-compliance prevents the execution of tasks in the granted area, which may indirectly result in the loss of rights if this leads to the inactivity of the operation and the concessionaire could not comply with an intimation from the authority to reactivate the mine.

Situation regarding each property:

Tomas III: Mr Virgili filed the Environmental Impact Report (“**EIR**”). The EIR was approved by Resolution No. 103 on date October 13, 2020. The EIR analyses the environmental aspects to be taken into account in the exploration stage – EIR approval allows exploration superficial activities (including sampling, geophysics, geochemistry and other desktop studies such as reports and mapping) for any mineral (including lithium, borates and base metals). On September 21, 2022 the Holder submitted an extension to the EIR for exploration activities (including drilling and hydrology) for Lithium and Copper which runs at the Mining Authority.

Formentera: The EIR was approved by Resolution No. 054/2021 dated March 12, 2021. The EIR analyses the environmental aspects to be taken into account in the exploration stage – EIR approval allows exploration superficial activities (including sampling, geophysics, geochemistry and other desktop studies such as reports and mapping) for any mineral (including lithium, borates and base metals). On July 20, 2021, an Addendum was submitted which was approved on September 27, 2021. By means of a new EIR filing, the Company submitted an extension to the EIR for exploration activities (including drilling and hydrology) for Lithium which runs at the Mining Authority through File No. 0655-118-2022 DPMY RE.

Cilon: The EIR was filed on date April 22, 2021. The EIR was approved by Resolution No. 045/2022 on May 13, 2022. The EIR analyses the environmental aspects to be taken into account in the exploration stage – EIR approval allows exploration superficial activities (including sampling, geophysics, geochemistry and other desktop studies such as reports and mapping) for any mineral (including lithium, borates and base metals). By means of a new EIR filing, the Company submitted an extension to the EIR for exploration activities (including drilling and hydrology) for Lithium which runs at the Mining Authority through File No. 0655-117-2022 DPMY RE.

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**MINING EXPLORATION AND PURCHASE AGREEMENTS (“the Agreements”),
as amended executed by the Company.**

This section of the Report contains a brief description of the Agreements entered into by the Company or related to the Company.

The acquisition of the Mining Properties has been negotiated between the Company and Mr. Zeballos, Mr. Party and Mr. Virgili San Millan through the Exploration and Purchase Option Agreements (the “Agreements”) as described below. The Company has full and complete rights over the Mining Properties as long as it complies the obligations and payments stipulated in the Agreement and pursuant the proper exercise of the purchase option. Thus, upon execution of the purchase option and subscription of the public deed of transfer, the Company shall be formally acquire the Mining Properties.

EXPLORATION AND PURCHASE OPTION AGREEMENT – CILON

Execution Date: March 2nd, 2022 and amended on October 22nd, 2022.

Executing Parties: Oscar Adolfo Zeballos (the “**Holder**”) and Patagonia Lithium Ltd. (the “**Buyer**”)

Purpose: The assignment of the following mining rights by the Holder to the Buyer: “Mina Cilon”, File No. 121-I-1983 in the Administrative Court of Minas de Jujuy. The Holder has agreed to grant to PATAGONIA, and PATAGONIA has accepted, the exclusive right to explore the Property and the option to acquire via an Argentinean subsidiary, title and interest in and to the Property.



NOTES: We have not been provided with evidence of accomplishment of the terms of this agreement.

EXPLORATION AND PURCHASE OPTION AGREEMENT – FORMENTERA

Execution Date: December 27th, 2021 amended on September 28th, 2022.

Executing Parties: Luis Alberto Party (the “**Holder**”) and Patagonia Lithium Ltd. (the “**Buyer**”)

Purpose: The assignment of the following mining rights by the Holder to the Buyer: “Mina Formentera”, File No. 518-P-2006 in the Administrative Court of Minas de Jujuy. The Holder has agreed to grant to PATAGONIA, and PATAGONIA has accepted, the exclusive right to explore the Property and the option to acquire via an Argentinean subsidiary, title and interest in and to the Property.

NOTES: We have not been provided with evidence of accomplishment of the terms of this agreement.

EXPLORATION AND PURCHASE OPTION AGREEMENT – TOMAS III

Execution Date: November 10th, 2021 amended on April 20th, 2022 and July 25th, 2022.

Executing Parties: Sebastian Virgili San Millan (the “**Holder**”) and Patagonia Lithium Ltd. (the “**Buyer**”)

Purpose: The assignment of the following mining rights by the Holder to the Buyer: “Mina Tomas III”, File #24,142 of the Mining Court of Salta. The Holder has agreed to grant to PATAGONIA, and PATAGONIA has accepted, the exclusive right to explore the Property and the option to acquire via an Argentinean subsidiary, title and interest in and to the Property.

NOTES: We have not been provided with evidence of accomplishment of the terms of this agreement.

METHODOLOGY

In conducting our due diligence on the mining rights of the Properties, we have reviewed and analysed the documentation, laws and regulations applicable in Argentina and in particular, in the Province of Salta and Jujuy.

We have not conducted any due diligence activities beyond the direct examination of the documentation referred above. In particular, we have not conducted any additional

queries, either to the Mining Properties title owners, other Federal, Provincial or Local Government.

In rendering this Memorandum hereto, we have assumed without any investigation on our part:

- The authenticity, genuineness, completeness and accuracy of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as copies;
- The truthfulness in the documentation and the affidavits filed by the titleholders under the mining files;
- That all amounts recorded as having been paid have been effectively paid;
- That the making and performance of each of the documents is within the power and authority of, and each of the documents has been duly authorized, executed and delivered by each party thereto, as the case may be (as to whom we make no such assumption);
- The veracity of certain factual matters upon information obtained;
- That the signatures on all documents examined by us are genuine;
- That verbally provided information and explanations were true, correct, complete and not misleading;
- Whenever our opinion with respect to the existence or absence of facts or circumstances is qualified by the phrase “to our knowledge”, it is intended to indicate that no information has come to our attention that would give us actual knowledge of the existence of such facts or circumstances. However, we have not undertaken any special or independent investigation to determine the existence or absence of such facts or circumstances, and no inference as to our knowledge of the existence of such facts or circumstances should be drawn merely from this report;
- No opinion is rendered regarding measurements, technical data or graphic information related to the mining properties referred to herein, neither to the completeness and content of the environmental information submitted and or permits obtained;
- We express no opinion on accounting confirmatory information and tax support documents;
- We express no opinion or assurances upon filings made by the titleholder which are pending of resolution, would finally obtain a favorable resolution; and



- We have not analyzed, thus express no opinion on the agreements, which gave ground to the deed of transfers listed above.

This paragraph concludes the Report presenting the relevant findings of the Minng Due Diligence performed by Alfaro Abogados in connection with the Project. Section I contains a detailed description of each of the Project's properties.

Please do not hesitate to contact us should you need any clarification.

Best regards,

Nicolas Ferla
Partner
nferla@alfarolaw.com
Cell. +54 9 3513533470

SECTION I
MINING PROPERTIES

Docket No. 24.142, Mina "Tomas III" – Mineral Copper, LOS ANDES / SALTA

Docket Detail	Date
Mine Discovery. Current Holder: Sebastian Virgili San Millan Units: 5 Area Requested: 571.54 HAS.	08/08/2019
Registration. Granted.	07/04/2022
Owner. Sebastian Virgili San Millan.	-
Legal Labor. Filed.	8/06/2022
Survey Request. Filed.	8/06/2022
Investment Plan: Not filed.	N/A
Environmental Impact Report: 1. EIR Approved. 2. EIR Biannual Renewal filing. Approval pending.	10/13/2020 9/21/2022
Canon payment Not applicable	N/A
The Property is valid and in full force and effect, and to the best of our knowledge it is in good standing. The Property is free and clear of any liens, charges or encumbrances.	



Docket No. 815/P/2006, Mina “Formentera” – Mineral Gold, Copper, Lithium and Borate SUSQUES / JUJUY

Docket Detail	Date
<u>Mine Discovery.</u> Current Holder: Luis Alberto Party Area Requested: 1.752,52 HAS.	-
<u>Registration.</u> Granted.	07/20/2022
<u>Owner.</u> Luis Alberto Party	-
<u>Legal Labor.</u> Filed.	09/30/2022
<u>Survey Request.</u> Not due yet.	N/A
<u>Investment Plan:</u> Not filed.	N/A
<u>Environmental Impact Report:</u> 1. EIR Approved. 2. EIR Addendum Approved 3. EIR extension submitted	03/12/2021 09/27/2021 07/29/2022
<u>Cannon payment</u> Not applicable	N/A
The Property is valid and in full force and effect, and to the best of our knowledge it is in good standing. The Property is free and clear of any liens, charges or encumbrances.	


Docket No. 121/I/1983, Mina “Cilon” – Mineral Lithium and Borate SUSQUES / JUJUY

Docket Detail	Date
Mine Discovery. Current Holder: Oscar Adolfo Zeballos Area Requested: 199 HAS.	-
Registration. Not granted yet.	-
Owner. Oscar Adolfo Zeballos.	-
Legal Labor. Not Evidence.	-
Survey Request. Not Filed.	-
Investment Plan: Not filed.	-
Environmental Impact Report: 1. EIR Approved 2. EIR extensión submitted	05/13/2022 07/29/2022
Cannon payment Not applicable	N/A
The Property is valid and in full force and effect, and to the best of our knowledge it is in good standing. The Property is free and clear of any liens, charges or encumbrances.	

11 MATERIAL CONTRACTS

The Company has entered into various agreements which the Board consider to be material and relevant to potential investors in the Company. Set out below is a summary of these material contracts.

LIST OF MATERIAL CONTRACTS:

1. Option Agreement between the Company and Mr Luis Alberto Party (Formentera Option Agreement);
2. Option Agreement between the Company and Mr Oscar Adolfo Zeballos (Cilon Option Agreement);
3. Option Agreement between the Company and Mr Sebastian Virgili San Millan (Tomas III Option Agreement);
4. Consultancy Agreement between the Company and Gurtan Pty Ltd;
5. Executive Employment Agreement between the Company and Mr Phillip Thomas;
6. Letters of Appointment of the Non-executive Directors;
7. Deeds of Indemnity, Access and Insurance between the Company and the Directors and the Company Secretary;
8. Lead Manager Mandate between the Company and Pamplona Capital Pty Ltd;
9. Subscription Agreements between the Company and the Cornerstone Investors; and
10. Restriction Agreements.

11.1 FORMENTERA OPTION AGREEMENT

The Company entered into the Formentera Option Agreement with the Formentera Vendor, Mr Luis Alberto Party, to have the exclusive rights to explore and acquire 100% right, title and interest in and to the Formentera Project situated in the Province of Jujuy, Argentina.

The Company exercised its right to acquire the Formentera Project within the option period by providing written notice to the Formentera Vendor on 19 April 2022.

Under the Formentera Option Agreement, the Company is required to make a series of payments in cash to the Formentera Vendor according to the schedule below. At completion of these payments, title to the Formentera Project will be transferred to the Company held via its Argentinian Subsidiary and completion under the Formentera Option Agreement shall take place.

Company's Payment Schedule to Formentera Vendor

TYPE OF PAYMENT	PAYMENT DUE	FEE
Option cash payment	On execution of the Formentera Option Agreement (paid on around 24 December 2021)	US\$100,000
Option exercise deferred cash payment	Following exercise of the option, within ten (10) business days after 30 November 2022	US\$2,000,000

The Formentera Vendor has a right to terminate the Formentera Option Agreement with written notice to the Company should the Company fail to pay the option exercise deferred cash payment by the due date.

Please refer to the Argentinian Independent Solicitor's Report in Section 10 of this Prospectus for further details.

11.2 CILON OPTION AGREEMENT

The Company entered into the Cilon Option Agreement with the Cilon Vendor, Mr Oscar Adolfo Zeballos, to have the exclusive rights to explore and acquire 100% right, title and interest in and to the Cilon Project situated in the Province of Jujuy, Argentina.

The Company exercised its right to acquire the Cilon Project within the option period by providing written notice to the Cilon Vendor on 22 October 2022.

Under the Cilon Option Agreement, the Company is required to make a series of payments in cash to the Cilon Vendor according to the schedule below. At completion of these payments, title to the Cilon Project will be transferred to the Company held via its Argentinian Subsidiary and completion under the Cilon Option Agreement shall take place.

Company's Payment Schedule to Cilon Vendor

TYPE OF PAYMENT	PAYMENT DUE	FEE
Option cash payment	On execution of the Formentera Option Agreement (paid on around 27 June 2022)	US\$35,000
Option exercise deferred cash payment	Following exercise of the option, within ten (10) business days after 30 November 2022	US\$165,000

The Cilon Vendor has a right to terminate the Cilon Option Agreement with written notice to the Company should the Company fail to pay the option exercise deferred cash payment by the due date.

Please refer to the Argentinian Independent Solicitor's Report in Section 10 of this Prospectus for further details.

11.3 TOMAS III OPTION AGREEMENT

The Company entered into the Tomas III Option Agreement with the Tomas III Vendor, Mr Sebastian Virgili San Millan, to have the exclusive rights to explore and acquire 100% right, title and interest in and to the Tomas III Project situated in the Province of Salta, Argentina.

The Company has an obligation to exercise its right to acquire the Tomas III Project within the option period, which ends on 30 November 2022, by providing written notice to the Tomas III Vendor.

Under the Tomas III Option Agreement, the Company is required to make a series of payments in cash and Shares to the Tomas III Vendor according to the schedule below. Following exercise of the option to acquire the Tomas III Project, title to the Tomas III Project will be transferred to the Company held via its Argentinian Subsidiary.

Company's Payment Schedule to Tomas III Vendor

TYPE OF PAYMENT	PAYMENT DUE	FEE
Option cash payment	On execution of the Formentera Option Agreement (paid on around 29 December 2021)	US\$35,000
Option extension cash payment	On execution of the addendum (paid on around 12 September 2022)	US\$13,000
Option exercise cash payment	Following exercise of the option, within ten (10) business days after 30 November 2022	US\$340,000
Option exercise share issuance	Following exercise of the option, within ten (10) business days after 30 November 2022	125,000 Shares (at a deemed issue price of A\$0.20 per share)

Unless extended by written mutual agreement, completion under the Tomas III Option Agreement shall occur fifteen (15) business days after the parties execute the relevant transfer deed (which shall occur within ten (10) business days after the Company has provided written notice to the Tomas III Vendor that it has exercised its right to acquire the Tomas III Project).

Please refer to the Argentinian Independent Solicitor's Report in Section 10 of this Prospectus for further details.

11.4 CONSULTANCY AGREEMENT WITH GURTAN PTY LTD

The Company entered into a Consultancy Agreement dated 26 October 2021 with Gurtan Pty Ltd, which is a related party of Mr Phillip Thomas.

Under the Consultancy Agreement, Gurtan Pty Ltd provided the Company with services including, without limitation, the sourcing of target projects and assisting with recruiting officeholders and management personnel for the Company, in consideration of 1,000,000 Shares in the Company (at \$0.001 per Share) issued to the Consultant plus a retainer fee of \$5,000 per month (incl. GST) commencing from the date of Admission.

The Consultancy Agreement was terminated by Deed of Termination dated 20 May 2022 because Mr Philip Thomas was engaged by the Company for his executive employment as set out below in Section 11.5 of this Prospectus.

11.5 EXECUTIVE EMPLOYMENT AGREEMENT WITH MR PHILLIP THOMAS (EXECUTIVE CHAIRMAN)

The Company entered into an Executive Employment Agreement dated 20 May 2022 with Mr Phillip Thomas for his employment as Executive Chairman of the Company.

Pursuant to the Executive Employment Agreement, as varied by letter agreement dated 4 October 2022, Mr Phillip Thomas shall receive a salary of \$2,000 per month (plus superannuation) from the period commencing 1 July 2022 to the date of the Company's Admission and \$108,000 per annum (plus superannuation) commencing from the date of the Company's Admission.

Mr Phillip Thomas is also entitled to 1,500,000 Options in the Company, exercisable at \$0.27, with an expiry date of three (3) years from the date of issue. Please refer to Section 3.10 of this Prospectus for details of the Options.

11.6 LETTERS OF APPOINTMENT

a) Letter of Appointment – Mr Gino D'Anna (Non-executive Director)

The Company has entered into a Letter of Appointment dated 22 April 2022 with Mr Gino D'Anna in relation to his appointment as Non-executive Director of the Company.

Pursuant to the Letter of Appointment, as varied by letter agreement dated 4 October 2022, Mr Gino D'Anna shall be entitled to directors' fees of \$1,000 per month (plus superannuation) from the period commencing 1 July 2022 to the date of the Company's Admission and \$48,000 per annum (plus superannuation) commencing from the date of the Company's Admission.

Mr Gino D'Anna is entitled to 1,000,000 Options in the Company, exercisable at \$0.27, with an expiry date of three (3) years from the date of issue. Please refer to Section 3.10 of this Prospectus for details of the Options.

b) Letter of Appointment – Mr Paul Boyatzis (Non-executive Director)

The Company has entered into a Letter of Appointment dated 22 April 2022 with Mr Paul Boyatzis in relation to his appointment as Non-executive Director of the Company.

Pursuant to the Letter of Appointment, as varied by letter agreement dated 4 October 2022, Mr Paul Boyatzis shall be entitled to directors' fees of \$1,000 per month (plus superannuation) from the period commencing 1 July 2022 to the date of the Company's Admission and \$48,000 per annum (plus superannuation) commencing from the date of the Company's Admission.

Mr Paul Boyatzis is entitled to 1,000,000 Options in the Company, exercisable at \$0.27, with an expiry date of three (3) years from the date of issue. Please refer to Section 3.10 of this Prospectus for details of the Options.

11.7 DEEDS OF INDEMNITY

Each of the Directors and the Company Secretary have entered into Deeds of Indemnity, Insurance and Access. The material terms of the Deeds of Indemnity, Insurance and Access are as follows:

- To the extent permitted by law, the Company indemnifies the Director and the Company Secretary from any liabilities arising out of the Director and the Company Secretary discharging their duties and providing services as an officer of the Company.
- The Directors and the Company Secretary will be given access to board papers and company files for a period up to seven (7) years from the date in which the Directors and the Company Secretary cease to be an officer of the Company.
- The Company must maintain an insurance policy for the Directors and the Company Secretary for the term in which they hold office and for a period of seven (7) years following the date they cease to be an officer of the Company.

11.8 LEAD MANAGER MANDATE

The key terms of the Lead Manager Mandate dated 7 July 2022 between the Company and Pamplona Capital Pty Ltd (**Lead Manager**) are as follows:

- The Lead Manager shall provide the Company the following key services during the Term (defined below):
 - > act as Lead Manager for the Company's IPO to raise the Offer Amount;
 - > assist with the Company's pre-IPO funding; and
 - > provide corporate and capital markets advice to the Board in relation to the strategy and marketing of the Company.
- The term of the Lead Manager Mandate shall be 12 months from the execution date, unless superseded by a subsequent mandate or terminated in accordance with the terms (**Term**).

- In consideration for providing corporate and fundraising services to the Company, the Lead Manager will be entitled to the following fees payable during the Term:
 - > 6% capital raising fee for any funds raised by the Lead Manager;
 - > a cash fee of \$5,000 per month (plus GST); and
 - > 2,000,000 unquoted Options in the Company with an exercise price of \$0.27 and an expiry date of 3 years from the date of issue, to be issued to the Lead Manager or its nominees on Admission.

11.9 SUBSCRIPTION AGREEMENTS

a) Fuyang Mingjin Subscription Agreement

The Company has entered into a subscription agreement with Fuyang Mingjin New Energy Development Co., Ltd on 10 October 2022 whereby the Cornerstone Investor has committed to subscribe for 10,000,000 Shares in the Company (at \$0.20 per share) under the Offer Amount.

The subscription is subject to the following conditions:

- > The Cornerstone Investor paying \$2,000,000 to the Company's nominated bank account;
- > The Cornerstone Investor completing and duly exchanging a voluntary escrow deed for the period of 12 months commencing the Admission Date (which has been fully executed by and exchanged between the parties on 10 October 2022); and
- > The Company obtaining any and all necessary Shareholder and/or ASX approvals to the issuance of the 10,000,000 Shares

Completion under the Fuyang Mingjin Subscription Agreement shall take place upon satisfaction or waiver of the above conditions.

The Company has the right to immediately terminate the Fuyang Mingjin Subscription Agreement by written notice if the Cornerstone Investor fails to pay \$2,000,000 to the Company's nominated bank account in cleared funds by 18 November 2022.

b) Southeast Mingqing Subscription Agreement

The Company has entered into a subscription agreement with Southeast Mingqing Supply Chain (Fuyang) Co. Ltd on 10 October 2022 whereby the Cornerstone Investor has committed to subscribe for 3,750,000 Shares in the Company (at \$0.20 per share) under the Offer Amount.

The subscription is subject to the following conditions:

- > The Cornerstone Investor paying \$750,000 to the Company's nominated bank account;
- > The Cornerstone Investor completing and duly exchanging a voluntary escrow deed for the period of 12 months commencing the Admission Date (which has been fully executed by and exchanged between the parties on 10 October 2022); and
- > The Company obtaining any and all necessary Shareholder and/or ASX approvals to the issuance of the 3,750,000 Shares

Completion under the South Mingqing Subscription Agreement shall take place upon satisfaction or waiver of the above conditions.

The Company has the right to immediately terminate the South Mingqing Subscription Agreement by written notice if the Cornerstone Investor fails to pay \$750,000 to the Company's nominated bank account in cleared funds by 18 November 2022.

c) Richlink Subscription Agreement

The Company has entered into a subscription agreement with Certane Ct Pty Ltd ACF Richlink High-Tech Investment Trust on 17 October 2022 whereby the Cornerstone Investor has committed to subscribe for 1,250,000 Shares in the Company (at \$0.20 per share) under the Offer Amount.

The subscription is subject to the following conditions:

- > The Cornerstone Investor paying \$250,000 to the Company's nominated bank account; and
- > The Company obtaining any and all necessary Shareholder and/or ASX approvals to the issuance of the 1,250,000 Shares

Completion under the Richlink Subscription Agreement shall take place upon satisfaction or waiver of the above conditions.

The Company has the right to immediately terminate the Richlink Subscription Agreement by written notice if the Cornerstone Investor fails to pay \$250,000 to the Company's nominated bank account in cleared funds by 18 November 2022.

11.10 RESTRICTION AGREEMENTS

The Company has entered into (or will enter into prior to Admission) Restriction Agreements with holders of restricted securities for the purposes of complying with Chapter 9 of the ASX Listing Rules. The Agreements are in the approved form as set out in Appendix 9A of the ASX Listing Rules.

12 ADDITIONAL INFORMATION

12.1 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during normal office hours, free of charge, at the registered office of the Company for a period of at least twelve (12) months from the date of lodgement of this Prospectus with the ASIC:

- the current Constitution of the Company; and
- the consents referred to in Section 12 of this Prospectus.

12.2 DIRECTORS' INTERESTS

Other than as set out below or elsewhere in this Prospectus, no Director and no firm in which a Director is a partner, has an interest in the promotion or in property proposed to be acquired by the Company in connection with its formation or promotion. Other than as set out below or elsewhere in this Prospectus no amounts have been paid or agreed to be paid (in cash, Shares or otherwise) to any Director or any firm in which any Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in which he is a partner in connection with the formation or promotion of the Company.

12.3 INTERESTS OF EXPERTS AND ADVISORS

Except as disclosed below or elsewhere in this Prospectus, no expert nor any firm of which such expert is a partner, has or has had any interest in the formation or promotion of, or in any property proposed to be acquired by, the Company in connection with its formation or promotion, and no amounts have been paid (in cash, Shares or otherwise), or agreed to be paid, to any expert or to any firm in which such expert is a partner for services rendered by him or the firm in connection with the promotion or formation of the Company.

- Professional fees payable to the Company's auditors for work performed in relation to the Offer estimated at \$12,500 (excluding GST) payable to Hall Chadwick Melbourne Audit.
- Professional fees payable to the Company's Australian legal advisors, Moray & Agnew Lawyers, for work performed in relation to the Offer are approximately \$110,000 (excluding GST).
- Montgomery and Associates Consultores Ltda. has provided an Independent Technical Assessment Report in relation to the Offer. Professional fees paid or payable to Montgomery and Associates Consultores Ltda. for preparing the Independent Technical Assessment Report are \$30,000;
- Alfaro-Abogados SC has provided an Independent Solicitor's Report in relation to the Projects. Professional fees paid or payable to the Company's Argentinian legal advisors, Alfaro-Abogados SC, for preparing the Argentinian Independent Solicitor's Report are approximately \$5,000;
- Professional fees payable to the Lead Manager for work performed in relation to the Offer are summarised in Section 1.8 of this Prospectus.
- Automic Group has acted as the share registry for the Company. Standard commercial fees are payable to Automic Group for share registry services in relation to the Offer made pursuant to this Prospectus.
- Professional fees payable to the Company's investigating accountants for work performed in relation to the Offer are \$15,500 (excluding GST) payable to Hall Chadwick Corporate (Vic) Pty Ltd.

12.4 CONSENTS

The following consents have been given in accordance with the Corporations Act:

- a) Hall Chadwick Corporate (Vic) Pty Ltd has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Investigating Accountant and to the inclusion of its Independent Limited Assurance Report contained in Section 8 of this Prospectus in the form and context in which it is included. Notwithstanding that it may be referred to elsewhere in this Prospectus, Hall Chadwick Corporate (Vic) Pty Ltd has only been involved in the preparation of the Independent Limited Assurance Report and was not involved in the preparation of any other part of this Prospectus. Hall Chadwick Corporate (Vic) Pty Ltd did not authorise or cause the issue of this Prospectus and does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus other than in respect of the Independent Limited Assurance Report.
- b) Hall Chadwick Melbourne Audit has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the auditor of the Company. Hall Chadwick Melbourne Audit did not authorise or cause the issue of this Prospectus and does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus.
- c) Moray & Agnew Lawyers has given and has not, before lodgement of this Prospectus, withdrawn its written consent to being named in this Prospectus as solicitors to the Company in the form and context in which they are named. Moray & Agnew Lawyers did not authorise or cause the issue of this Prospectus and do not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus.
- d) Pamplona Capital Pty Ltd has given, and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Lead Manager of the Company. Pamplona Capital Pty Ltd did not authorise or cause the issue of this Prospectus and does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus.
- e) Automic Group has given and, as at the date hereof, has not withdrawn, its written consent to be named in this Prospectus as Share Registry in the form and context in which it is named. Automic Group has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. Automic Group has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.
- f) Montgomery and Associates Consultores Ltda. has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Independent Geologist and to the inclusion of its Independent Technical Assessment Report in Section 9 of this Prospectus in the form and context in which it is included. Notwithstanding that it may be referred to elsewhere in this Prospectus, Montgomery and Associates Consultores Ltda. has only been involved in the preparation of the Independent Technical Assessment Report and was not involved in the preparation of any other part of this Prospectus. Montgomery and Associates Consultores Ltda. did not authorise or cause the issue of this Prospectus and does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus other than in respect of the Independent Technical Assessment Report.
- g) Alfaro-Abogados SC has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Argentinian Independent Solicitor and to the inclusion of its Independent Solicitor's Report in Section 10 of this Prospectus in the form and context in which it is included. Notwithstanding that it may be referred to elsewhere in this Prospectus, Alfaro-Abogados SC has only been involved in the preparation of the Argentinian Independent Solicitor's Report and was not involved in the preparation of any other part of this Prospectus. Alfaro-Abogados SC did not authorise or cause the issue of this Prospectus and does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus other than in respect of the Argentinian Independent Solicitor's Report.

12.5 RELIEF AND MODIFICATIONS

The Company has not applied to ASIC for or obtained any modifications of, or exemptions from, the Corporations Act pursuant to this Offer.

The Company has not applied to ASX for or obtained any modifications of, or exemptions from, the ASX Listing Rules pursuant to this Offer.

12.6 EXPENSES OF THE OFFER

The estimated gross expenses of the Offer are as follows:

ESTIMATED EXPENSES	OFFER AMOUNT (\$8M)
Capital raising fees	\$492,000
Capital raising fee (options)	\$286,410
Legal fees	\$110,000
Investigating Accountant Report	\$15,500
Independent Technical Report	\$30,000
Argentinian Independent Solicitor's Report	\$5,000
ASIC and ASX Listing Fees	\$85,553
Share registry fees	\$5,000
Other, including marketing and roadshow	\$45,000
TOTAL	\$1,074,463

* *Note: The Company reserves the right to pay brokerage fees to the Lead Manager of up to 6% of funds raised under the Offer.*

12.7 LITIGATION

The Company is not involved in any litigation, arbitration or other legal proceedings and the Directors are not aware of any threatened or pending litigation or arbitration against the Company.

12.8 WORKING CAPITAL STATEMENT

The Directors believe that, on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.

12.9 CONTINUOUS DISCLOSURE OBLIGATIONS FOLLOWING LISTING

Following Admission, and pursuant to Section 111AC of the Corporations Act, the Company will be a disclosing entity and will therefore be subject to regular reporting and disclosure obligations. Following Admission, the Company is required to continuously disclose all information to the market that a reasonable person would expect to have a material effect on the value or price of the Company's securities. All price-sensitive information will be released through the ASX before it is disclosed to market participants and Shareholders, and the distribution of non-price sensitive information will also be managed through the ASX.

12.10 DIRECTORS' STATEMENT

The Directors state that they have made all reasonable enquiries and have reasonable grounds to believe that any statements by the Directors in this Prospectus are true and not misleading and that in respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given the consent required by Section 716 of the Corporations Act to the issue of this Prospectus and have not withdrawn that consent, before lodgement of this Prospectus with the ASIC.

This Prospectus is prepared on the basis that:

- certain matters may be reasonably expected to be known to professional advisors of any kind with whom Applicants may reasonably be expected to consult; and
- information is known to Applicants or their professional advisors by virtue of any Acts or laws of the Commonwealth of Australia or any State of Australia.

13 DIRECTOR'S AUTHORISATION

In accordance with Section 720 of the Corporations Act, the lodgement and issue of this Prospectus has been consented to and authorised by each of the Directors.

Signed for and on behalf of the Company

A handwritten signature in blue ink, appearing to read 'Phillip Thomas'.

Mr Phillip Thomas
Executive Chairman

24 November 2022

14 GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$	means Australian dollars.
AAS	means the Australian Accounting Standards.
AASB	means the Australian Accounting Standards Board.
Admission	means the Company's admission to the official list of the ASX following its application for admission under Chapters 1 and 2 of the ASX Listing Rules.
AEDT	means Australian Eastern Daylight Time.
Applicant	means a person who submits an Application.
Application	means a valid application to subscribe for Shares under this Prospectus.
Application Form	means the Application Form attached to or accompanying this Prospectus and which relates to the Offer.
Argentinian Subsidiary	means Patagonia Lithium Argentina S.A.
ASIC	means the Australian Securities and Investments Commission.
ASX	means Australian Stock Exchange Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires).
ASX Listing Rules	means the Listing Rules of ASX (as at the date of this Prospectus).
ASX Settlement	means ASX Settlement Pty Ltd ACN 008 504 532.
Auditor	means Hall Chadwick Melbourne Audit ABN 41 134 806 025.
Automic Group	means Automic Pty Ltd ACN 152 260 814.
Board	means the Board of Directors of the Company (unless the context indicates otherwise).
Business	means the Company's business of mining exploration and evaluation activities.
CHESS	means the ASX Clearing House Electronic Subregistry System.
Cilon Option Agreement	means the option agreement entered into by the Company and the Cilon Vendor on 2 March 2022 and varied by a signed addendum on 22 October 2022.
Cilon Project	has the same meaning given to it in the Independent Technical Assessment Report located at Section 9 of this Prospectus and the Argentinian Solicitor's Report located at Section 10 of this Prospectus.
Cilon Vendor	means Mr Oscar Adolfo Zeballos, being the vendor of the Cilon Project.
Company	means Patagonia Lithium Ltd ACN 654 004 403, a public unlisted company incorporated in Victoria, Australia.
Company Secretary	means Mr Jaroslaw (Jarek) Kopias (for Mr Kopias' profile, please refer to Section 4.2 of this Prospectus).
Constitution	means the Constitution of the Company (as may be amended from time to time).
Cornerstone Investors	means the cornerstone investors that have, respectively, entered into the Subscription Agreements with the Company to subscribe for a total of 15,000,000 Shares under the Offer Amount, subject to the conditions of completion.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).

Defined Mineral Assets	has the meaning 'Mineral Assets' given in the VALMIN Code.
Defined Mineral Resource	has the meaning 'Mineral Resource' given to that term in the JORC Code.
Defined Ore Reserves	has the meaning 'Ore Reserves' given to that term in the JORC Code.
Directors	means one or more directors of the Company. For the profiles of each of the Directors, please refer to Section 4.1 of this Prospectus.
EM	means electromagnetic geophysics, being the electromagnetic induction method based on the measurement of the change in mutual impedance or resistance between a pair of coils on or above the earth's surface.
Exposure Period	means the period of seven (7) days after the date of lodgement of this Prospectus, which period may be extended by ASIC by not more than seven (7) days pursuant to Section 727(3) of the Corporations Act.
Financial Information	means the information described as Financial Information in Section 7 of this Prospectus.
Formentera Option Agreement	means the option agreement entered into by the Company and the Formentera Vendor on 27 December 2021 and varied by a signed addendum on 28 September 2022.
Formentera Project	has the same meaning given to it in the Independent Technical Assessment Report located at Section 9 of this Prospectus and the Argentinian Solicitor's Report located at Section 10 of this Prospectus.
Formentera Vendor	means Mr Luis Alberto Party, being the vendor of the Formentera Project.
Fuyang Mingjin Subscription Agreement	means the subscription agreement entered into between the Company and Fuyang Mingjin New Energy Development Co., Ltd on 10 October 2022 whereby the Cornerstone Investor has committed to subscribe for 10,000,000 Shares in the Company (at \$0.20 per share) under the Offer Amount. Please refer to Section 11 of this Prospectus (Material Contracts) for further information.
Group	means the Company and its controlled entities, (and, where the context requires, the businesses conducted by those entities) and in this Prospectus means one or more of those entities.
Issuer Sponsored	means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
ITAR	means the Independent Technical Assessment Report contained in Section 9 of this Prospectus.
JORC Code	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 ed.).
Lead Manager	means Pamplona Capital Pty Ltd ACN 150 332 700, a Corporate Authorised Representative of Symmetry Group Pty Ltd ACN 159 449 368 (AFSL 426 385), which will provide the services of Lead Manager in connection with the Offer.
Lead Manager Mandate	means the mandate entered into between the Company and the Lead Manager for the services of the Lead Manager in connection with the Offer, the key terms of which are summarised in Section 11.8 of this Prospectus.
Li	means lithium.
Minimum Application	means the minimum application for Shares that can be made by an Applicant under this Offer, being valid subscriptions for at least 10,000 Offer Shares.
NPAT	means net profit after tax.
Offer	means the invitation made to the public pursuant to this Prospectus to subscribe for up to 40,000,000 Offer Shares at an issue price of \$0.20, subject to any allotment of Shares to the Cornerstone Investors pursuant to the Subscription Agreements.
Offer Amount	means the amount to be raised under the Offer made by this Prospectus, being up to \$8,000,000 (before costs).

Offer Closing Date	means 5 December 2022 or such earlier or later date as the Directors may determine.
Offer Opening Date	means 25 November 2022 or such other dates as the Directors may determine.
Offer Period	means the period commencing on the Offer Opening Date and ending on the Offer Closing Date.
Offer Shares	means the Shares issued pursuant to the Offer made under this Prospectus.
Official Quotation	means official quotation by ASX in accordance with the ASX Listing Rules.
Option	means an option to acquire Shares in the Company, whereby the key rights attaching to such Options are summarised in Section 3.10 of this Prospectus.
Option Agreements	means the Formentera Option Agreement, the Cilon Option Agreement and the Tomas II Option Agreement.
Optionholder	means a holder of Options in the Company.
Original Prospectus	means the original prospectus dated and lodged with ASIC on 10 November 2022
Patagonia	means the Company.
Patagonia Lithium Argentina S.A.	means Patagonia Lithium Argentina S.A. (File No. 41.2025/22, Resolution No. 800), a subsidiary incorporated under the laws of Argentina.
Projects	means the Formentera Project, the Cilon Project and the Tomas III Project.
Project Vendors	means the vendors of the Projects, being the Formentera Vendor, the Cilon Vendor and the Tomas III Vendor.
Prospectus	means this prospectus, including any replacement or supplementary prospectuses issued by the Company in relation to the same.
Richlink Subscription Agreement	means the subscription agreement entered into between the Company and Certane Ct Pty Ltd ACF Richlink High-Tech Investment Trust on 17 October 2022 whereby the Cornerstone Investor has committed to subscribe for 1,250,000 Shares in the Company (at \$0.20 per share) under the Offer Amount. Please refer to Section 11 of this Prospectus (Material Contracts) for further information.
Shares	mean the fully paid ordinary shares in the capital of the Company and Share means any one of them.
Shareholder	means a holder of Shares in the Company.
Share Registry	means Automic Group.
Southeast Mingqing Subscription Agreement	means the subscription agreement entered into between the Company and Southeast Mingqing Supply Chain (Fuyang) Co. Ltd on 10 October 2022, as varied by a side letter dated 27 October 2022, whereby the Cornerstone Investor has committed to subscribe for 3,750,000 Shares in the Company (at \$0.20 per share) under the Offer Amount. Please refer to Section 11 of this Prospectus (Material Contracts) for further information.
Subscription Agreements	means the Fuyang Mingjin Subscription Agreement, the Southeast Mingqing Subscription Agreement and the Richlink Subscription Agreement.
Tomas III Option Agreement	means the option agreement entered into by the Company and the Tomas III Vendor on 26 November 2021 as varied by signed addendums on 20 April 2022 and 25 July 2022.
Tomas III Project	has the same meaning given to it in the Independent Technical Assessment Report located at Section 9 of this Prospectus and the Argentinian Solicitor's Report located at Section 10 of this Prospectus.
Tomas III Vendor	means Mr Sebastian Virgili San Millan, being the vendor of the Tomas III Project.
VALMIN Code	means the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 Edition.



Your Application Form must be received by no later than:
5 December 2022
(unless extended or closed earlier)

Option A: Apply Online and Pay Electronically (Recommended)

- ✓ **Pay electronically:** Applying online allows you to pay electronically, via **BPAY®** or **EFT** (Electronic Funds Transfer).
- ✓ **Get in first, it's fast and simple:** Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.
- ✓ **It's secure and confirmed:** Applying online provides you with greater privacy over your instructions and is the only method which provides you with confirmation that your Application has been successfully processed.



Option B: Standard Application

1. Number of Shares applied for

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Application payment (multiply box 1 by \$0.20 per Share)

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Applications must be for a minimum of 10,000 Shares at \$0.20 per Share (i.e. for a minimum subscription amount of \$2,000). A larger number of Shares may be applied for in multiples of 2,500 Shares.

2. Applicant name(s) and postal address (Refer to Naming Standards overleaf)

[illegible]

3. Contact details

Telephone Number

()

Contact Name (PLEASE PRINT)

--

Email Address

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

4. CHESS Holders Only – Holder Identification Number (HIN)

[illegible]

Note: if the name and address details in section 2 does not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

5. TFN/ABN/Exemption Code

Applicant #1

[illegible]

Applicant #2

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Applicant #3

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If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

YOUR PRIVACY

Automatic Pty Ltd (ACN 152 260 814) trading as Automatic Group advises that Chapter 2C of the Corporation Act 2001 requires information about you as a securityholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

This is an Application Form for fully paid ordinary Shares in Patagonia Lithium Ltd ACN 654 004 403 (**Company**) made under the terms set out in the replacement Prospectus dated 24 November 2022.

Capitalised terms not otherwise defined in this document has the meaning given to them in the Prospectus. The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

- Shares Applied For & Payment Amount** - Enter the number of Shares & the amount of the application monies payable you wish to apply for. Applications must be for a minimum of 10,000 Shares at \$0.20 per Share (i.e. for a minimum subscription amount of \$2,000). A larger number of Shares may be applied for in multiples of 2,500 Shares.
- Applicant Name(s) and Postal Address** - ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
- Contact Details** - Please provide your contact details for us to contact you between 9:00am and 5:00pm (AWST) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/#/home>
- CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" ('SRN') will be allocated to you.
- TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
- Payment** - Payments for Applications made using a paper Application Form can only be made by cheque. Your cheque must be made payable to "Patagonia Lithium Ltd" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Completed Application Forms and accompanying cheques must be received before 5:00pm (AWST) on the Closing Date by being delivered or mailed to the address set out in the instructions below.
Applicants wishing to pay by BPAY® or EFT should complete the online Application, which can be accessed by following the web address provided on the front of the Application Form. Please ensure that payments are received by 5:00pm (AWST) on the Closing Date. Do not forward cash with this Application Form as it will not be accepted.

DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full;
- Have completed this Application Form in accordance with the instructions on the form and in the Prospectus;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus; and
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company.
- Acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- Acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated;
- Am/are over 18 years of age;
- Agree to be bound by the Constitution of the Company; and
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital.

LODGEMENT INSTRUCTIONS

The Offer opens on 25 November 2022 and is expected to close on 5 December 2022. The Directors reserve the right to close the Offer at any time once sufficient funds are received or to extend the Offer period. Applicants are therefore encouraged to submit their Applications as early as possible. Completed Application Forms and payments must be submitted as follows:

Paper Application and Cheque

By Post:

Patagonia Lithium Ltd
C/- Automic Pty Ltd
GPO Box 5193
SYDNEY NSW 2001

or

By Hand Delivery:

Patagonia Lithium Ltd
C/- Automic Pty Ltd
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Online Applications and BPAY® or EFT Payments

Online:

<https://apply.automic.com.au/PatagoniaLithium>

ASSISTANCE

Need help with your application, no problem. Please contact Automic on:



PHONE:

1300 288 664 within Australia
+61 (2) 9698 5414 from outside Australia



EMAIL:

corporate.actions@automicgroup.com.au



CORPORATE DIRECTORY

DIRECTORS OF THE COMPANY

Mr Phillip Thomas (Executive Chairman)

Mr Paul Boyatzis (Non-executive Director)

Mr Gino D'Anna (Non-executive Director)

COMPANY SECRETARY

Mr Jaroslaw (Jarek) Kopias

REGISTERED OFFICE OF THE COMPANY

Level 6, 505 Little Collins Street,
Melbourne VIC 3000

ASX Code

PL3

LEAD MANAGER

Pamplona Capital Pty Ltd

329 Hay St,
Subiaco WA 6008

SHARE REGISTRY*

Automic Pty Ltd

Level 5, 126-130 Phillip Street,
Sydney NSW 2000

AUSTRALIAN LEGAL ADVISOR

Moray & Agnew Lawyers

Level 6, 505 Little Collins Street,
Melbourne VIC 3000

ARGENTINIAN LEGAL ADVISOR

Alfaro-Abogados SC

Av. del Libertador 498, (C1001ABR)
Buenos Aires, Argentina

AUDITOR

Hall Chadwick Melbourne Audit

Level 14, 440 Collins Street,
Melbourne VIC 3000

INVESTIGATING ACCOUNTANT

Hall Chadwick Corporate (Vic) Pty Ltd

Level 14, 440 Collins Street,
Melbourne VIC 3000

INDEPENDENT GEOLOGIST

Montgomery and Associates Consultores Ltda.

Avenida Vitacura 2771, Of. 404
Edificio Helvecia B
Las Condes, Santiago, Chile

