

24 February 2025

Dear Optionholder

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

As announced on 24 February 2025, Patagonia Lithium Ltd (**ASX:PL3, Patagonia or Company**) is undertaking a fully underwritten pro-rata non-renounceable entitlement offer of three (3) new fully paid ordinary shares (**New Shares**) for every seven (7) fully paid ordinary shares held at the Record Date at an issue price of A\$0.08 per New Share (**Entitlement Offer**).

The Company lodged a prospectus for the Entitlement Offer (**Prospectus**) with ASIC on 24 February 2025 and was released on the Company's ASX announcement platform on the same day. The Company intends to apply the funds raised from the Entitlement Offer (less expenses) to complete the current drilling program in Argentina, prepare an updated Mineral Resource Estimate and for general working capital purposes.

Following completion of the Entitlement Offer, as the Entitlement Offer is fully underwritten, the Company will have issued approximately 32,073,108 Shares.

From 24 February 2025, the Prospectus will be available to download from both www.asx.com.au and www.patagonialithium.com.au and will subsequently be dispatched to eligible shareholders on 28 February 2025.

You currently hold options to acquire fully paid ordinary shares in the Company (**Options**). Accordingly, you will only be entitled to participate in the Entitlement Offer if you exercise those Options before the Record Date by following the process set out below.

Exercise of options

To exercise your Options and, thereby, be eligible to participate in the Entitlement Offer (in respect of shares issued to you on exercise of your Options), you must provide notice in writing to the Company which:

1. specifies the number of vested options being exercised; and
2. provides an electronic funds transfer for the exercise price for the number of Options being exercised, so that it is received prior to the Record Date.

Capital structure

74.8m - PL3 shares

14.6m - PL3O quoted options

13.2m - unquoted options

2.0m - unquoted performance rights

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

Board

Phil Thomas - Exec Chair

Rick Anthon - NED

Pablo Tarantini - NED

Jarek Kopias - Co Sec

The Company will allot and issue shares to you after receiving a valid exercise notice and cleared funds and will endeavour to do so before the Record Date if a valid notice and cleared funds are received by Thursday, 27 February 2025. You should take this timing into consideration to ensure that you are recorded on the Company's register as the holder of shares as at 7:00pm (AEST) on the Record Date.

If you do not exercise your Options in sufficient time to be issued shares before the Record Date, then you will not be entitled to participate in the Entitlement Offer with respect to any shares which might eventually be issued on exercise of those Options. Your rights as holder of those Options remains unchanged, including the exercise price payable for the exercise of those Options and their expiry date.

If you have any queries in relation to your options please contact your financial adviser or Patagonia's Company Secretary, Jarek Kopias, on 0418 823 574.

Jarek Kopias
Company Secretary
Patagonia Lithium Ltd