23 July 2024

Not for distribution or release in the United States

NON-RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS

Dear Shareholder,

On 12 July 2024, Patagonia Lithium Ltd (**Patagonia Lithium**) announced that it was conducting an approximate A$1.75 million capital raising comprising a non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares in Patagonia Lithium (**New Shares**) on a basis of one (1) New Share for every three (3) existing shares, at an offer price of A$0.09 per New Share (**Offer Price**) to raise up to approximately A$1.75 million (before expenses), along with the issue of one (1) attaching option for every two (2) New Shares issued under the Offer for nil additional consideration. The Entitlement Offer is referred to in this letter as the **Offer**.

Proceeds of the Offer and Placement will provide funds for the current drill program in Argentina and prepare an updated Mineral Resource Estimate, progress the Brazilian exploration program and general working capital purposes.

Copeak Pty Ltd ACN 607 161 900 acted as lead manager and bookrunner to the Offer (**Lead Manager**). This letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation to you to apply for New Shares. **You are not required to do anything in response to this letter.**

Details of the Entitlement Offer

The Entitlement Offer is being made by Patagonia Lithium under a transaction specific prospectus in accordance with section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Prospectus**).

The Entitlement Offer is being made to Eligible Shareholders (as defined below) on the basis of one (1) New Share for every three (3) existing fully paid ordinary shares in Patagonia Lithium held at 5:00pm (Sydney time) on 19 July 2024 (**Record Date**). Participants in the Entitlement Offer will also receive one (1) option to acquire a Share for every two (2) New Shares issued, with an exercise price of A$0.15 and are exercisable at any time prior to 31 August 2025 (for no additional consideration) (**Attaching Options**).

Eligibility Criteria

Shareholders who are eligible to participate in the Entitlement Offer (**Eligible Shareholders**) are those persons who:

1. are registered as a holder of fully paid ordinary shares in Patagonia Lithium as at the Record Date;
2. are recorded in Patagonia Lithium's register of members, have an address on the Patagonia Lithium register in Australia, New Zealand or China; and
3. are not located in the United States of America (**United States**) and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States.

Patagonia Lithium has determined, pursuant to section 9A(3) of the Corporations Act and ASX Listing Rule 7.7.1(a), and having regard to a range of factors, that it would be unreasonable on this occasion to make offers to shareholders under the Entitlement Offer who are recorded in Patagonia Lithium's register of members as having an address outside Australia, New Zealand or China. This is due to the legal and regulatory requirements in countries other than Australia, New Zealand or China and the potential costs to Patagonia Lithium of complying with these requirements, compared with the relatively small number of shareholders in those countries, the relatively small number of existing fully paid ordinary shares in Patagonia Lithium they hold and the relatively low value of New Shares for which those shareholders would otherwise be entitled to subscribe.

Eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters. Patagonia Lithium and the Lead Manager and each of their respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers, consultants, representatives and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder as stated above. Accordingly, for the purposes of ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, Patagonia Lithium wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer or be able to subscribe for New Shares under the Entitlement Offer.

As the Entitlement Offer is non-renounceable, entitlements in respect of any New Shares that would have been offered to you if you were an Eligible Shareholder will lapse and you will not receive any payment or value for those entitlements. Entitlements are not tradeable on ASX or otherwise transferrable.

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

If you have any questions in relation to any of the above matters, please contact Patagonia Lithium's share registry, Atomic, 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 9:00am and 5:30pm (Sydney time), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser or other professional adviser.

This letter constitutes the notice that Patagonia Lithium is required to give each ineligible shareholder under ASX Listing Rule 7.7.1(b).

Thank you for your continued support of Patagonia Lithium and I trust you understand Patagonia Lithium's position on this matter.

On behalf of Patagonia Lithium, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Yours sincerely

Mr Jarek Kopias
Company Secretary
Patagonia Lithium Limited