Patagonia Lithium Ltd

ACN 654 004 403

Cleansing Prospectus

For the offer of up to 50,000 Cleansing Options, at an issue price of A$0.01 per Cleansing Option, to raise A$500.00 (before expenses) (**Cleansing Offer**).

This Prospectus has been prepared for the purpose of section 708A(11) of the Corporations Act and to remove any trading restrictions on the sale of Options in the same class as the Cleansing Options that are to be issued pursuant to this Prospectus.

NOT FOR RELEASE TO U.S. WIRE SERVICES

IMPORTANT NOTICE

This document is important and should be read in its entirety. If you have any questions about the Shares or Cleansing Options offered under this Prospectus or any other matter, you should consult your stockbroker, accountant or other professional adviser.

Neither ASIC, the ASX nor any of their respective officers or employees take any responsibility for this Prospectus or the merits of the investment to which this Prospectus relates.

The Shares and Cleansing Options offered under this Prospectus should be considered a speculative investment.

IMPORTANT NOTICES

This Prospectus is dated 31 August 2026 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No person is authorised to give information or make any representation in connection with this Prospectus that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Cleansing Options and Shares the subject of this Prospectus should be considered speculative.

This Prospectus is a transaction-specific prospectus for an offer of continuously quoted securities prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters can reasonably be expected to be known to investors and their professional advisers whom they may consult.

No exposure period applies to this Prospectus by operation of the Corporations Act.

No Cleansing Options will be issued pursuant to this Prospectus after the date that is 13 months after the date of this Prospectus.

ELECTRONIC PROSPECTUS

Shareholders can obtain a copy of this Prospectus at www.patagonialithium.com.au. The electronic version of this Prospectus on the Company's website will not include an Application Form. Participants in the Cleansing Offer will only be entitled to subscribe for Cleansing Options in accordance with the personalised Application Form which accompanies a copy of this Prospectus that is provided to them by the Company.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and do not believe that they have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Privacy

By submitting an Application, you will be providing personal information to the Company (directly or via the Share Registry). The Company collects, holds and will use that information to assess your Application, service your needs as a holder of securities and facilitate the distribution of payments and corporate communications to you as a holder of securities.

The information may also be used and disclosed to persons inspecting the Company's register, bidders for your Shares in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Forward Looking Statements

Some of the statements appearing in this Prospectus may be in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. These may be identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', or 'intends' and other similar such words that involve risks or uncertainties.

You should be aware that such statements are not statements of fact or guarantees and there can be no certainty of outcome in relation to the matters to which the statements relate. Forward-looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved. To the maximum extent permitted by law, none of the Company or any person named in this Prospectus or any person involved in the preparation of this Prospectus makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any intentions or outcomes expressed or implied in any forward looking statement and disclaim all responsibility and liability for such forward looking statements (including, without limitation, liability for negligence). The Company has no intention to update or revise 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, except where required by law. You are cautioned not to place undue reliance on any forward looking statement having regard to the fact that the outcome may not be achieved. For further information, please see the Company's past announcements released to ASX.

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Cleansing Options issued under this Prospectus. The Company will only distribute this Prospectus to investors who fall within the target market determination (**TMD**) as set out on the Company's website at www.patagonialithium.com.au. By accepting the Cleansing Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Foreign laws

The offer of Cleansing Options and Shares pursuant to this Prospectus does not, and is not intended to, constitute an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. This Prospectus has not been, nor will it be, lodged, filed or registered with any regulatory authority in the securities laws of any country outside Australia.

No action has been taken to register or qualify the offer of the Cleansing Options or Shares or otherwise to permit an offering of the Cleansing Options or Shares in any jurisdiction outside Australia.

The distribution of this Prospectus and the accompanying Application Form outside of Australia, may be restricted by law and persons who come into possession of the Prospectus and the accompanying Application Form should seek advice on and observe those restrictions.

Any failure to comply with those restrictions may constitute a violation of applicable securities laws. The Company reserves the right to treat as invalid any Application which does not comply with the requirements of this Prospectus or the Application Form or which the Company believes has been sent for, or on the account of, a person located in a jurisdiction to whom it would be illegal to make the offer of Cleansing Options or Shares pursuant to this Prospectus.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application is subject to all requisite authorities and clearances being obtained for the Company to lawfully receive your application monies.

United States

None of the information in this Prospectus, or the Application Form that will accompany this Prospectus when it is despatched to investors identified by the Company, constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Prospectus (or any part of it), nor the Application Form when that is to be made available, may be released or distributed directly or indirectly, to persons in the United States.

The Cleansing Options and Shares have not been, and will not be, registered pursuant to the *United States Securities Act of 1933* (as amended) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States.

Capitalised Terms

Capitalised terms used in this Prospectus have the same meaning given to them in Section 6 on page 33.

Contents

Indicative Timetable

Event	Date
General Meeting of Shareholders	Monday, 3 August 2026
Allotment of Placement Shares	Friday, 28 August 2026
Prospectus lodged with ASIC and ASX	Monday, 31 August 2026
Opening Date	Monday, 31 August 2026
Appendix 3B/Application for quotation lodged	Monday, 31 August 2026
Closing Date	Tuesday, 1 September 2026
Allotment of Broker Options and Placement Options	Tuesday, 1 September 2026
Issue of Cleansing Options	Tuesday, 2 September 2026
Quotation of Cleansing Options	Tuesday, 3 September 2026

The above timetable is subject to the ASX Listing Rules and the Corporations Act and the Directors reserve the right to vary these dates. Investors cannot withdraw an Application once accepted. No cooling-off rights apply to the Cleansing Offer made under this Prospectus. The commencement of Quotation of Cleansing Options is subject to confirmation from the ASX.

1. Details of the Cleansing Offer

1.1 Background

On 11 June 2026, the Company announced:

(a) a private placement (**Placement**) pursuant to which successful applicants would receive one (1) Option for every one (1) Share subscribed for and issued under the Placement; and

(b) the proposed issue of 5,500,000 Quoted Options and 1,000,000 Unquoted Options to Cygnet (or its nominees) as part consideration for the provision of lead manager services in connection with the Placement,

subject to the Company first obtaining Shareholder approval in respect of some of the Options to be issued (together, the **Placement Options**), which approval was obtained at a general meeting of Shareholders on 3 August 2026 (**EGM**). The Placement Options are in the same class as the Cleansing Options.

Further, the Company has previously issued Options prior to the date of this Prospectus as Unquoted Options, for which Options the Company obtained Shareholder approval at the EGM to vary so that they are transferable and Quoted. Those Unquoted Options will be in the same class as the Cleansing Options.

1.2 Cleansing Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 50,000 Cleansing Options, having the terms set out in Section 2 on page 10, at an issue price of A$0.01 per Cleansing Option.

The Cleansing Options have an exercise price of A$0.16 and are exercisable at any time prior to 5:00pm (Sydney time) on 31 December 2027.

The Cleansing Offer will only be extended, and Application Forms will only be provided, to specific parties on invitation from the Directors.

All Shares issued on exercise of Cleansing Options will rank equally with Shares on issue at the date of this Prospectus. See Section 3 on page 12 for further details on the rights and liabilities attaching to Shares.

There is no minimum subscription and the Company will not accept oversubscriptions.

The Cleansing Offer is not underwritten.

The offer of Cleansing Options pursuant to this Prospectus does not, and is not intended to, constitute an offer or invitation in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

1.3 Purpose of the Cleansing Offer

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5) within five days of the date of issue of the securities.

Section 708A(11) of the Corporations Act provides another exemption from the general requirement under section 707(3) where:

(a) the relevant securities are in a class of securities of the company that are already Quoted on the ASX;

(b) a prospectus is lodged with ASIC either:

(1) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or

(2) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and

(c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Options in the same class as the Cleansing Options issued by the Company prior to the Closing Date (including those issued prior to the date of this Prospectus).

Under the Cleansing Offer, a nominal amount of approximately A$500.00 (before expenses) may be raised. The funds raised from the Cleansing Offer will be applied towards the expenses of the Cleansing Offer.

1.4 Principal effect of the Cleansing Offer

The principal effect of the Cleansing Offer, assuming that the Cleansing Offer is fully subscribed, will be to:

(a) increase the Company's cash position by A$500.00 (before expenses) immediately after Completion of the Cleansing Offer; and

(b) increase the number of Options on issue from 29,425,000 Options at the date of this Prospectus to 92,975,000 Options, assuming all Options offered under this Prospectus are issued and no Options are exercised.

1.5 Effect of the Cleansing Offer on the Capital Structure

The effect of the Cleansing Offer on the Company's capital structure is set out below:

Shares

Description	Number
Shares on issue before the date of this Prospectus:	327,732,207
Shares offered pursuant to the Cleansing Offer:	Nil
Total Shares on issue after Completion of the Cleansing Offer:	**327,732,207**

Options

Description	Number
Options on issue before the date of this Prospectus: (a) PL3AL: $0.18 exercise price and 31 August 2026 expiry (b) PL3AP: $0.16 exercise price and 31 December 2027 expiry (c) PL3AR: $0.15 exercise price and 31 March 2028 expiry (d) PL3AN: $0.10 exercise price and 30 June 2027 expiry	 3,000,000 19,975,000 5,450,000 1,000,000
Subtotal	**29,425,000**
Options offered pursuant to the Cleansing Offer:	50,000
Options to be issued pursuant to the Placement:	25,000,000
Options to be issued pursuant to the Additional Placement:	32,000,000
Broker Quoted Options to be issued:	5,500,000
Total Options on Completion of the Cleansing Offer:	**91,975,000**

Performance Rights

Description	Number
Performance Rights on issue before the date of this Prospectus:	25,000,000
Performance Rights offered pursuant to the Cleansing Offer:	Nil
Total Performance Rights on issue after Completion of the Cleansing Offer:	25,000,000

A further 50,000 Shares may also be issued if all Cleansing Options issued under this Prospectus are subsequently exercised. If all Cleansing Options are exercised, the Company will receive A$8,000.

1.6 Effect of the Cleansing Offer on Control

As at the date of this Prospectus, the following persons were believed to have a Relevant Interest in 5% or more of Shares:

Shareholder	Shares	Relevant Interest (%)
Dr Jose Luis Manzano	103,029,017	31.44
Crosgo Trading Ltd	50,000,000	15.26
Magnus Capital S.A. (**Magnus**)	43,731,719	13.34

The issue of the Cleansing Options will have no effect on the Control of the Company. However, if a Shareholder elects to exercise any Options issued to them, it will increase their overall percentage shareholding.

Due to the restrictions in section 606 of the Corporations Act, no person will be able to exercise Cleansing Options if doing so would result in their, or another person's, Voting Power increasing from 20% or below to more than 20%, or from a starting point above 20% to below 90%, unless Shareholder approval is obtained or another exception to the restrictions contained in section 606 of the Corporations Act applies (i.e., such as the creep provisions).

1.7 Use of Funds

A nominal amount of A$500.00 will be raised from the issue of the Cleansing Options under this Prospectus.

If all Cleansing Options offered under this Prospectus are issued at A$0.01 and exercised at A$0.16 each, the Company will receive a further A$8,000 (before costs).

1.8 Effect of the Cleansing Offer on the financial position

The Company does not consider that the Cleansing Offer will have a material effect on the financial position of the Company. The expenses of the Cleansing Offer will be met from existing cash reserves. The Cleansing Offer will reduce the cash balance by approximately A$39,368.

The total expenses of the Cleansing Offer are estimated to be approximately A$39,368 (excluding GST), which are expected to be applied as follows:

Expense	Amount
ASIC fees	A$3,206
ASX fees	A$28,662
Legal fees	A$7,500
TOTAL	**A$39,368**

1.9 Applications under the Cleansing Offer

Applications for Cleansing Options must be made at the direction of the Company. Application Forms will only be provided to specific parties on invitation from the Directors.

Payment for the Cleansing Options must be made in full at the issue price of A$0.01 per Cleansing Option.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (Sydney time) on the Closing Date.

If you are in any doubt, you should consult your professional adviser.

By completing and returning an Application Form, you will be deemed to have:

(a) acknowledged that you have read and understood this Prospectus and the Application Form in their entirety and that you make the warranties, representations and agreements contained in them;

(b) agreed to be bound by the terms of the Cleansing Offer, the provisions of this Prospectus and the Constitution;

(c) authorised the Company to register you as the holder of the Cleansing Options allotted to you;

(d) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;

(e) agreed to apply for and be issued up to the number of Cleansing Options specified in the Application Form, or for which you have submitted payment of any application monies at the issue price of A$0.01 per Cleansing Option;

(f) authorised the Company, the Share Registry and their respective officers, employees or agents to do anything necessary on your behalf for Cleansing Options to be issued to you;

(g) acknowledged that the information in this Prospectus and your Application Form is not investment advice or a recommendation that the Cleansing Options are suitable for you given your investment objectives, financial situation or particular needs;

(h) acknowledged that this Prospectus does not contain all information you may require to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to the ASX;

(i) acknowledged the statement of risks in Section 4 of this Prospectus and that investments in the Company are subject to risk;

(j) acknowledged that neither the Company, its Related Bodies Corporate, Affiliates nor any of their respective directors, officers, partners, employees, representatives, agents, consultants or advisers guarantees the performance of the Company or the repayment of capital; and

(k) authorised the Company to correct any errors in your Application Form.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Cleansing Options accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Cleansing Options. The Directors' (or their delegates') decision as to whether to treat an Application as valid and how to construe, amend or complete it is final and binding.

2. Rights and Liabilities Attaching to Cleansing Options

The Cleansing Options offered under this Prospectus (referred to as “Options” for the purposes of this Section 2) are as follows.

2.1 Exercise Period and Expiry Date

The Options are exercisable at any time on a business day prior to 5:00pm (Sydney time) on 31 December 2027 (**Expiry Date**). Options not exercised by that date will lapse.

2.2 Exercise Price

Each Option entitles the holder to acquire one (1) Share on payment of the sum of A$0.16 per Option (**Exercise Price**) to the Company.

2.3 Notice of Exercise

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

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

Options will be deemed to have been exercised at a time determined by the Company and in any event no earlier than the Company having received the aggregate Exercise Price (in cleared funds) in respect of the Options exercised in accordance with the Exercise Notice.

Some or all of the Options may be exercised at any one time or times prior to the Expiry Date. Options must be exercised in respect of a minimum of 100,000 Options except where an Option holder holds less than 100,000 Options, in which case all Options held by that Option holder must be exercised.

2.4 Shares Issued on Exercise of Options

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

Shares issued pursuant to the exercise of Options will have the same rights and liabilities as the Company’s existing Shares on issue as at the date of the exercise of the Options.

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

2.5 Transfer and Quotation

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

The Company will apply to the ASX for Quotation of the Options. However, the Company cannot guarantee that the ASX will accept Quotation of the Options in which case they will remain unlisted.

If the Company is still admitted to the ASX's Official List at the time of exercise, the Company will make an application for new Shares allotted on exercise of the Options to be Quoted on the ASX.

2.6 Participation Rights or Entitlements

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

2.7 Bonus Issues

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

2.8 Pro-Rata Issue

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

2.9 Capital reorganisation

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

3. Rights and Liabilities Attaching to Shares

Shares issued on the exercise of Options will have the same rights and liabilities as the Company's existing Shares on issue.

The full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available on the Company's website http://www.elementos.com.au/www.patagonialithium.com.au and may also be inspected at the Company's registered office. A summary of the rights and liabilities attaching to the Shares as at the date of this Prospectus is set out below. This summary is not exhaustive, nor does it constitute a definitive statement of a Shareholder's rights and obligations.

3.1 General meetings

(a) Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

(b) Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

3.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders, each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(a) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(b) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

3.3 Dividend Rights

(i) Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

(ii) The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

3.4 Winding-up

(a) Distribution of assets

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(b) Powers of liquidator to vest property

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

3.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture**.**

3.6 Transfer of Shares

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

3.7 Future Increase in Capital

The issue of any new Shares is under the control of the Directors. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

3.8 Variation of rights

(i) Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

(ii) If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

3.9 Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4. Risks

4.1 Introduction

The Shares and Cleansing Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and otherwise disclosed to the ASX, and consult their professional advisers before deciding whether to apply for Shares and Cleansing Options.

In addition to the specific risks that relate directly to the Company, there are also general risks, many of which are largely beyond the control of the Company and the Directors, that investors should consider. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of any Shares or Cleansing Options issued under this Prospectus.

4.2 Business specific and industry risks

(a) Funding risk

The Company's capital requirements depend on numerous factors, including the success of its planned exploration programs, the future exploration programs for its Projects, the Company's ability to generate income from its operations and possible acquisitions or other corporate opportunities. The Company may require further capital to achieve its objective of transitioning from explorer to producer. If the Company acquires any new Project it may need to raise further capital to fund the acquisition or the project once acquired.

For the foreseeable future, it is expected that this funding will be obtained from equity financing. Any equity financing undertaken will dilute existing Shareholders.

There is no guarantee that the Company will be able to secure any additional funding or will be able to secure funding on terms that are favourable or acceptable to the Company.

This may require that the Company reduce the scope of its operations or, if necessary, surrender or dispose of some of its interest in one or more of its Projects to a third party.

There is a risk that the Company will not be able to meet the work commitments or satisfy the required licence fees, which may result in one or more of its Tenements being forfeited.

Similarly, while debt financing is unlikely to be available to the Company for the foreseeable future, any debt financing, if available, may involve restrictions on financing and operating activities.

The grant of the drilling permit approvals for the Cilon Project have not yet been granted by the local government authority.

In Argentina, each province is the owner of the natural resources located in their respective territories and permitting is managed by both the mining and environmental departments of each province. The Cilon Project is entirely located in the Jujuy Province of Argentina.

The Company has been engaging with the Mining Directorate of the Jujuy Province to obtain the required drilling permit approvals for its Cilon Project.

As at the date of this Prospectus, the Company has been advised that the only outstanding approval that is required for the Company to commence drilling at the Cilon Project is the approval of a drilling program and environmental impact assessment at the Cilon Project. The grant of these approvals is out of the control of the Company and there is no guarantee that it will occur.

(c) Sovereign risk

The Company currently holds interests in Projects that are located in Argentina and Brazil.

Possible sovereign risks associated with operating in this jurisdiction include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.

No assurance can be given regarding future stability in this jurisdiction or any other country in which the Company may, in the future, have an interest.

Specifically, it is possible that the current system of exploration and mine permitting may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(d) Exchange rate volatility and inflation

The Company's revenue and expenditure will be taken into account in Australian dollars. The Company's operating and exploration expenses may be incurred in United States Dollars, Argentinian Peso and Brazilian Real.

Furthermore, international prices of various commodities are denominated in United States dollars and, if the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to United States dollar fluctuations.

Therefore, the Company is exposed to fluctuations and volatility in the United States dollar, the Australian dollar and the Argentinian Peso and Brazilian Real exchange rates.

Furthermore, the Argentinian Peso is subject to strict foreign export control laws which often mean that the official rate of exchange is not reflective of the actual rate of exchange and the Argentinian Peso is exposed to a high rate of inflation.

Movements in these exchange rates, inflation and the actual rates at which the Company is able to convert USD to Argentinian Peso and/ or Brazilian Real may adversely or beneficially affect the Company's results or operations and cash flows.

(e) Operational and exploration risk

The tenements comprising the Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process and Indigenous heritage factors, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration tenements forming its Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of its Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration tenements forming its Projects.

(f) Access and infrastructure

Access on and to tenements may be subject to the availability of appropriate infrastructure or the consent of third parties.

There is no guarantee that agreement can be reached with interested third parties or that the necessary infrastructure required to access or develop the tenements will be available or viable.

The Company's Projects are and may be further affected by legitimate native title rights of Indigenous peoples as discussed in the native title section below.

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas of Indigenous-owned land within or near the Tenements. Where such rights exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company understands the importance of establishing and maintaining positive relationships with all affected by any future exploration activities, particularly with the Indigenous peoples whose lands we may operate on.

The Directors will closely monitor the potential effect of native title processes, determinations and claims and Indigenous heritage matters involving tenements in which the Company has or may have an interest and will undertake such heritage surveys and seek such consents as are required to comply with these obligations.

(h) Tenure and title risk

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved. Tenements are subject to the applicable mining acts and regulations of the relevant jurisdiction. The renewal of the term of a granted tenement is also subject to the discretion of the relevant minister. Renewal or conversion conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's 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.

Irrespective of the Company's compliance with the conditions of the tenements, and applicable mining acts and regulations, there is no guarantee that applications for forfeiture or cancellation will not be made against the tenements. If any application for forfeiture or objection to the grant of an exemption is lodged, the Company may be required to defend such applications or objections and incur significant costs.

(i) Grant and renewal of permits

The Company's mineral exploration activities are dependent upon the granting and maintenance (including renewal) of the Tenements or other tenements in which the Company acquires an interest.

Maintenance of the Company's Tenements is dependent on, among other things, its ability to meet the licence conditions imposed by relevant authorities including minimum annual expenditure requirements which, in turn, is dependent on it being sufficiently funded to meet those expenditure requirements. The extent of work performed on each Tenement may vary depending upon the results of the exploration program which will determine the prospectivity of the relevant area of interest. There is a risk that if the Company fails to satisfy these minimum expenditure requirements at the time of expiry of the granted Tenements, the Company may be required to relinquish part or all its interests in these granted Tenements. As at the date of this Prospectus, the Company is not in breach of its minimum expenditure commitments.

4.3 Industry Specific Risks

There are a number of industry specific risks associated with the Company which have a reasonable likelihood of occurring, are difficult to mitigate, and if they do eventuate, would have a significant effect on the Company's financial position, prospects or the price of its Shares and are, therefore, key risks. These risks include:

(a) Commodity price fluctuations

It is anticipated that any future revenues derived from mining will primarily be derived from the sale of minerals. Consequently, any future earnings are likely to be closely related to the price of lithium and other mined commodities. Similarly, prior to production, the Company's Share price will also be affected by these prices and investor outlook and sentiment in respect of these prices.

The prices of minerals are influenced by numerous variable factors beyond the control of the Company, including laws and regulations, economic conditions and trading demand and supply. Fluctuations in mineral prices may, positively or negatively, influence the operating and financial performance of projects and businesses in which the Company has an interest or proposes to have an interest.

Even if this is not the case, general sentiment towards one or more minerals may have a significant adverse effect on the price of Shares.

(b) Land access

The Company will be required to negotiate access arrangements and pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by the Tenements. The Company's ability to resolve access and compensation issues will have an impact on the future success and financial performance of the Company's operations.

In addition, where the relevant part of the Tenements is not accessible without crossing land which is not owned by the Company, the Company may be required to obtain the consent of owners and occupiers of land within the Tenements to carry out its planned activities on such land or otherwise pass through such land. Compensation may be required to be paid to the owners and occupiers of land in order for exploration and development activities to be carried out.

Negotiations with land owners, local authorities, traditional land users and others may therefore be required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities. Special conditions may also attach to exploration (if permitted) in special locations within the Tenements, including those of environmental or heritage significance. There may be delays experienced in negotiating these conditions, and there is a risk that the parties cannot reach agreement and the matter could result in the Company not being able to conduct the exploration or production activities on terms acceptable to the Company (or at all).

Access is critical for exploration and development to succeed and the ability to be able to negotiate satisfactory commercial arrangements with land owners, local authorities, traditional land users and occupiers is often essential.

(c) Exploration costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(d) Potential acquisitions and investments

The Company may pursue and assess other new business opportunities in the resource sector in order to realise benefits including complementary revenue streams and future platforms for growth. The identification, evaluation and negotiation of these opportunities may require significant time and effort from key management and employees, and may result in disruptions to the business.

These new business opportunities may take the form of direct project acquisitions, investments, joint ventures, farm-ins, acquisition of tenements and 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 acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is undertaken, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). There is also a risk that the Company is unsuccessful in integrating new businesses or assets into its existing operations in a timely manner, or that the new businesses or assets do not result in the benefits anticipated. The Company cannot guarantee that every acquisition or partnership that it makes or enters into will result in favourable outcomes for the business. In addition, the process of integrating new businesses or assets may require significantly more financial and management resources, or time to complete, than originally planned.

(e) Mineral Resource estimates

Mineral resource estimates are expressions of judgement and are estimates based on knowledge, experience and industry practice. While these estimates may be appropriate when made, they may change significantly when new information or techniques become available.

Estimates are a necessary practice and may change significantly or cease to be accurate when new information or techniques become available through additional fieldwork and analysis. Mineral Resource estimates are, by their nature, imprecise and, to an extent, depend on interpretation, which may result in inaccuracies. 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. New information, practices or techniques may result in the Company revising any initial estimates of its Mineral Resources or Ore Reserves, which could adversely affect the Company's operations.

(f) Native Title risk

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas of Indigenous-owned land. Where such rights exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company understands the importance of establishing and maintaining positive relationships with all affected by any future exploration activities, particularly with the Indigenous peoples whose lands we may operate on.

The Directors will closely monitor the potential effect of native title processes, determinations and claims and Indigenous heritage matters involving tenements in which the Company has or may have an interest and will undertake such heritage surveys and seek such consents as are required to comply with these obligations.

(g) Joint venture parties, agents and contractors

There is a risk of financial failure or default by a participant in any joint venture to which the Company is, or may in the future become, a party, or the insolvency or managerial failure by any service provider used by the Company for any activity.

Any failure by any of the Company's existing or future joint venture partners could result in the Company being required to expend significant time and monetary resources, for which it may not have made provision, requiring it to raise additional funds and direct its energies and/ or reallocate budgeted expenditure.

(h) Environmental

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by current, future or previous operations or non-compliance with environmental laws or regulations.

It is the Company's intention to conduct its activities to the highest standard of its environmental obligations, including by complying with all environmental laws and regulations.

(i) Metallurgy

Metal and/or mineral recoveries are dependent upon metallurgical processes and, by their nature, contain elements of significant risk such as:

(1) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;

(2) developing an economic process route to produce a metal and/or concentrate; and

(3) changes in the mineralogy of the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the Company's Projects.

(j) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although 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, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's Projects and business.

In particular, the Company's ability to undertake exploration and mining activities is dependent upon its ability to source and acquire appropriate mining equipment and personnel. Equipment and personnel are not always readily available and the market for mining equipment and personnel experiences fluctuations in supply and demand. Increases in worldwide mining activities may create cost pressures for services and skilled personnel in the resources industry, which may affect the ability to purchase or hire equipment, supplies, and services and to recruit skilled personnel in relation to the Projects. In addition, the availability of drilling rigs and other equipment and services is affected by the level and location of drilling activity around the world. An increase in drilling activity in Australia may reduce the availability of equipment and services to the Company. In addition, an increased demand for mineral commodities may significantly increase the demand for many mining and processing inputs, which has resulted in shortages, as well as longer lead times for delivery and increases in pricing, of mining equipment and metallurgical plant, strategic spares and critical consumables. The reduced availability of equipment, services and skilled personnel may delay the planned exploration, development, and production activities at the projects. A shortage of skilled labour in the Australian mining industry could result in the Company having insufficient employees or contractors to operate its business, which could adversely affect the Company's business, results of operations and financial condition.

4.4 General Investment Risks

(a) Regulatory risks and Government Policy changes

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consents, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. Changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company.

The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production, and rehabilitation activities. Obtaining necessary permits can be a time consuming process and there is a risk that the Company may not obtain these permits on acceptable terms, in a timely manner, or at all. Any costs or delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a Project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Company's Tenements.

(b) Economic and market conditions

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's ability to fund its operations. Share market conditions may affect the value of the Company's Equity Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(1) general economic outlook;

(2) commodity prices;

(3) interest rates and inflation rates;

(4) changes in investor sentiment toward particular market sectors and commodity types;

(5) the demand for, and supply of, capital; and

(6) terrorism or other hostilities.

The market price of Equity Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for securities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Taxation

The acquisition and disposal of Equity Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Equity Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Equity Securities in accordance with this Prospectus.

(d) Liquidity risk

An application will be made to ASX for Quotation of the Cleansing Options offered pursuant to this Prospectus within 7 days of the date of this Prospectus. The

Company will also apply for Quotation of any Shares issued on the exercise of the Cleansing Options if still quoted by the ASX at that time.

However, no assurance can be given of the price at which the Cleansing Options will trade or that they will trade at all. Potential Applicants should, therefore, be prepared to hold their Cleansing Options for extended periods pending the development of the Company's Projects and potential opportunities emerging in the future. The market price of Equity Securities can fall, as well as rise, and may be subject to varied and unpredictable influences on the market for equities and, in particular, resources entities. Neither the Company nor the Directors provide any warranty as to the future performance of the Company or any return on an investment in the Company.

This may affect the liquidity of trading in the Shares, which may result in a lower volume of Shares being traded than would otherwise have been the case, potentially making it difficult to realise any return on your investment.

If the Cleansing Options are not accepted for Quotation, the Cleansing Offer will proceed, and Applicants should be aware that there is unlikely to be a viable market for the Cleansing Options and a sale or transfer of the Options may be difficult.

(e) Reliance on key personnel

The Directors are primarily responsible for overseeing the operations and the strategic management of the Company. The day-to-day operations of the Company are the responsibility of the Executive Chairman. There can be no assurance that there will be no detrimental impact on the Company if one or more of the Directors, particularly the Executive Chairman, no longer act as Directors.

(f) Information technology/privacy

The Company relies heavily on its own computer systems and those of third party service providers to store and manage private and confidential information. A malicious attack on the Company's systems, processes or people from external or internal sources could put the integrity and privacy of the Company's data at risk. If the Company's efforts to combat any malicious attack are unsuccessful or the Company has actual or perceived vulnerabilities, the Company's business reputation and brand name may be harmed, potentially having a material adverse effect on the Company's operations and financial position.

(g) Insurance

The Company insures its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

(h) Climate change

There are a number of climate-related factors that may affect the operations and proposed activities of the Company.

Climate change may be said to cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. These risks said to be associated with climate change may have a direct impact on Company's ability to perform its mining operations, and may significantly change the industry in which the Company operates.

In addition, changing investor sentiment towards climate change, including a view that all mining should be avoided due to its contribution to greenhouse gas emissions (despite the reliance on the various metals by the renewables sector) and, thus, cause investors to cease investing in mining and exploration entities, may have a significant adverse effect on the Company's ability to secure additional funding and other ancillary products and services (including, for example, appropriate insurance at affordable prices).

(i) Occupational health and safety

There is an inherent risk of workplace accidents occurring during the conduct of mining activity. Hazardous activities are avoided wherever possible, but when necessary, all employees and contractors are required to conduct themselves in accordance with all applicable laws and policies in force from time to time in respect of occupational health and safety.

4.5 Speculative investment

The above 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 effect the financial performance of the Company and the value of Options offered under this Prospectus.

Therefore, the Options 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 Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for any Options pursuant to this Prospectus.

5. Additional Information

5.1 Interests of the Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held at any time within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(1) its formation or promotion; or

(2) the offer of Shares and Cleansing Options under this Prospectus; or

(c) the offer of Shares and Cleansing Options under this Prospectus,

and no amounts have been paid (or agreed to be paid) and no benefits have been given (or agreed to be given) to a Director or proposed Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(1) the formation or promotion of the Company; or

(2) the offer of Shares and Cleansing Options under this Prospectus.

Each Director's Relevant Interest in the Company's securities as at the date of this Prospectus is set out in the table below:

Director	Shares	Options	Performance Rights
Phillip Thomas (Executive Chairman)	7,568,573	0	10,000,000
Pablo Tarantini (Non-Executive Director)	1,666,667	1,000,000	3,333,333
Richard Anthon (Non-Executive Director)	Nil	0	5,000,000

No Director nor any of their associates intends to participate in the Cleansing Offer.

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is subject to the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The total aggregate remuneration for non-executive Directors approved by Shareholders as at the date of this Prospectus is A$500,000 per annum. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (e.g., non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred in or about the performance of their duties as Directors.

Details of the remuneration paid and payable to each Director are set out in the Company's annual report for the financial year ending 31 December 2025. A copy of this report can be accessed on the Company's website www.patagonialithium.com.au or on the ASX webpage for the Company (ASX Code: PL3).

The following table details the total compensation each Director received for the financial years ended 31 December 2024 and 31 December 2025 (including allowances and share-based payments):

Director	Directors' fees (including superannuation)	
	2024	2025
Phillip Thomas – Executive Chairman	121,068	139,771
Richard Anthon – Non-Executive Director	51,250	48,000
Pablo Tarantini – Non-Executive Director	6,444	49,520

5.2 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5.3 Market price of Shares

The Shares are Quoted on the ASX (ASX Code: PL3). In the three months to 28 August 2026 the highest and lowest market sale prices of Shares on the ASX and the respective dates of those sales were:

	Date	Price
Lowest Price	1 July 2026	$0.084
Highest Price	29 July 2026	$0.155

5.4 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all ASX-listed companies, the Company is required to immediately disclose to the market any information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Company ensures compliance with these obligations through its formal "Continuous Disclosure Policy", which establishes protocols for the notification and disclosure of information by Directors and the Company's employees, consultants and contractors that may potentially be material. This Prospectus is a "transaction specific prospectus", which is only required to contain information about the effect of the issue of securities on a company and the rights attaching to those securities. It is not necessary to include general information about all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Accordingly, this Prospectus should be read in conjunction with publicly available information about the Company notified to ASX and does not include all information that would be included in a prospectus prepared in accordance with the Corporations Act for the initial public offering of securities in an entity not already listed on a securities exchange. Investors should have regard to other publicly available information about the Company before deciding whether to invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, advises that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

    (1) the annual financial report most recently lodged by the Company with ASIC;

    (2) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (1) and before the lodgement of this Prospectus with ASIC; and

    (3) any documents lodged by the Company with ASX under the continuous disclosure reporting requirements from 30 March 2026 to the day prior to the date of this Prospectus.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of the lodgement of the Company's latest annual financial report and before the date of the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of announcement
31 Aug 2026	Notice of change of interests of substantial holder
31 Aug 2026	Notice of change of interests of substantial holder
28 Aug 2026	Change of Director's Interest Notice - P Tarantini
28 Aug 2026	Change of Director's Interest Notice - P Thomas
28 Aug 2026	Cleansing Notice - Share Issue
28 Aug 2026	Application for quotation of securities - PL3
28 Aug 2026	Application for quotation of securities - PL3
19 Aug 2026	Well 7 Core and BMR Align on Porosity

Date	Description of announcement
14 Aug 2026	Ten New Locations Identified in Brazil for Rare Earths
11 Aug 2026	Successful Well 8 reaches end of hole
3 Aug 2026	Results of 2026 Shareholder Meeting
3 Aug 2026	Mineral Resource Estimate Interim Progress Report
30 Jul 2026	Quarterly Activities and Cashflow Report 30 June 2026
27 Jul 2026	Outstanding Packer Flow Rates at Cilon Well 8
21 Jul 2026	Positive Drilling Progress Continues at Cilon Well 8 Update
17 Jul 2026	Positive Drilling Progress Continues at Cilon Well 8
8 Jul 2026	Positive Drilling Progress at Cilon Lithium Well 8
6 Jul 2026	Lithium Drilling Commences at Well 8
2 Jul 2026	Notice of 2026 General Meeting and Proxy Form
30 Jun 2026	Notice of change of interests of substantial holder
30 Jun 2026	58% Increase in Pumping Rate from Well 2
24 Jun 2026	Becoming a substantial holder
24 Jun 2026	Update – Proposed issue of securities – PL3
24 Jun 2026	Updated Option Terms
24 Jun 2026	Notice of change of interests of substantial holder
22 Jun 2026	Notice of change of interests of substantial holder
22 Jun 2026	Cleansing Notice – Share Placement
22 Jun 2026	Notification regarding unquoted securities – PL3
22 Jun 2026	Application for quotation of securities – PL3
17 Jun 2026	Significant Assays from Formentera Well 7
11 Jun 2026	Proposed issue of securities – PL3
11 Jun 2026	$11.4M Placement to Progress Formentera Lithium Project
9 Jun 2026	Trading Halt
28 May 2026	Notification regarding unquoted securities – PL3
28 May 2026	Results of 2026 Annual General Meeting
28 May 2026	2026 AGM Presentation
28 May 2026	Formentera Seismic Survey Shows Deeper Basement
21 May 2026	Excellent Brine Extraction from Formentera Lithium Well 7
12 May 2026	Outstanding Core Porosity Results from Well 6 at Formentera
7 May 2026	Formentera Advanced Environmental Reports Submitted
5 May 2026	Formentera Lithium Well 7 Environmental Study Completed
28 Apr 2026	Notice of 2026 AGM and Proxy Form
22 Apr 2026	Quarterly Activities and Cashflow Report – 31 March 2026
13 Apr 2026	Notice of ceasing to be a substantial holder
9 Apr 2026	Outstanding Porosity Results from Formentera Lithium Well 6
7 Apr 2026	Formentera Lithium Well 5 Porosity Results
1 Apr 2026	Formentera Strong Flow Pump Test Results
30 Mar 2026	Appendix 4G, Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The Company's announcements are also available through the Company's website located at www.patagonialithium.com.au.

5.5 Not financial product or investment advice

This Prospectus and the accompanying Application Form are for information purposes only and are not financial product or investment advice or a recommendation to acquire Shares and Cleansing Options. This Prospectus has been prepared without taking into account your objectives, financial circumstances or particular needs. This Prospectus should not be considered to be comprehensive and does not purport to contain all the information that you may require to make a decision about whether to apply for any Shares or Cleansing Options. This Prospectus should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX and available at www.patagonialithium.com.au.

Before making an investment decision, you should consider the appropriateness of the information in this Prospectus having regard to your own objectives, financial situation and needs and seek legal and taxation advice appropriate to your jurisdiction. If you have any questions about whether you should participate in any of the offers under this Prospectus, you should seek professional advice before making any investment decision. The Company is not licensed to provide financial product advice in respect of the Shares or Cleansing Options.

5.6 Allotment

Cleansing Options issued pursuant to the Cleansing Offer will be allotted in accordance with ASX Listing Rules and the timetable set out in this Prospectus.

Where the number of Cleansing Options issued is less than the number applied for, or where no allotment is made, any surplus application money received by the Company will be refunded to the Applicant in full as soon as practicable after the Closing Date. No interest will be paid on any application money refunded to Applicants.

Pending the allotment and issue of Cleansing Options or payment of refunds pursuant to this Prospectus, all application money will be held by the Company on trust for the Applicants in a separate bank account as required by the Corporations Act. The Company will, however, be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Cleansing Options issued pursuant to the Cleansing Offer will be mailed to Applicants in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus as soon as practicable after their issue.

5.7 Brokerage and Stamp Duty

No brokerage fee is payable by Applicants who accept their allocation. No stamp duty is payable for applying for Cleansing Options pursuant to the Cleansing Offer.

5.8 ASX listing

An application will be made for Quotation of the Cleansing Options offered pursuant to this Prospectus within 7 days of the date of this Prospectus. If ASX does not grant Quotation of the Cleansing Options offered pursuant to this Prospectus, before the expiration of three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Cleansing Options and will repay all application money for the Cleansing Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Quotation of the Cleansing Options offered pursuant to this Prospectus is not to be taken in any way as an indication of the merits of the Company or the Cleansing Options offered for subscription.

5.9 Clearing House Electronic Sub Register System (CHESS) and Issuer Sponsorship

The Company will not issue share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not issue certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Cleansing Options allotted to them in accordance with this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures pursuant to CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

5.10 Information Availability

Shareholders can obtain a copy of this Prospectus during the period of the Cleansing Offer on the Company's website at www.patagonialithium.com.au or by calling the Company on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) at any time from 9.00am to 5.00pm (Sydney Time) during the offer period for the Cleansing Offer. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The electronic version of this Prospectus on the Company's website will not include an Application Form. Applicants will only be entitled to apply for Cleansing Options pursuant to the Cleansing Offer in accordance with the instructions in the personalised Application Form which accompanies a complete and unaltered copy of this Prospectus.

5.11 Taxation

The taxation consequences arising from an investment in any Cleansing Options (and the underlying Shares) will depend on the particular circumstances of each Applicant and it is the responsibility of all Applicants to satisfy themselves of the taxation treatment that applies to them by consulting their own professional tax advisers.

5.12 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with this Prospectus, that is not contained in this Prospectus.

Any information or representation that is not in this Prospectus may not be relied on as having been authorised by the Company, or its Related Bodies Corporate, in connection with this Prospectus. Except as required by law, and only to the extent so required, neither the

Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus or its contents.

5.13 Withdrawal of Cleansing Offer

The Company reserves the right to withdraw all or part of the Cleansing Offer at any time, subject to applicable laws, in which case the Company will refund application monies in relation to Cleansing Options not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any application monies paid by you to the Company will not entitle you to receive any interest and that any interest earned in respect of application monies will belong to the Company.

5.14 Interests of experts and advisers

Other than as set out in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) underwriter to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held at any time within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

  (1) its formation or promotion; or

  (2) the offer of Shares or Cleansing Options under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(a) the formation or promotion of the Company; or

(b) the offer of Shares or Cleansing Options under this Prospectus.

5.15 Consents

Each of the persons referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and

(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Automic Pty Ltd ACN 152 260 814 has given its written consent to being named as the Share Registry in this Prospectus. Automic Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

5.16 Litigation

Other than as set out in this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company which are expected to have a material adverse effect on the Company.

5.17 Governing Law

This Prospectus and contracts formed on acceptance of an Application are governed by the laws of South Australia. Each Applicant submits to the non-exclusive jurisdiction of the courts of South Australia.

5.18 Enquiries

Any questions about the Cleansing Offer should be directed to the Company on +61 7 433 747 380.

5.19 Authorisation

This Prospectus is issued by the Company and every Director consented to the lodgement of this Prospectus with ASIC.

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Phillip Thomas
Executive Chairman

6. Glossary

A$	means the lawful currency of the Commonwealth of Australia.
Additional Placement	means the additional placement of Shares announced by the Company to ASX on 11 June 2026, pursuant to which the Company proposes to issue, or has agreed to issue, Shares and 40,000,000 attaching Options, as described in this Prospectus.
Affiliates	means, in relation to a person, that person's related bodies corporate, officers, employees, agents, representatives, advisers and associates.
Applicant	means a person who applies for Cleansing Options pursuant to this Prospectus.
Application	means an application for Cleansing Options pursuant to this Prospectus in accordance with the instructions in this Prospectus and any applicable Application Form.
Application Form	means an application form in the form accompanying this Prospectus, pursuant to which investors identified by the Directors may apply for Cleansing Options pursuant to the Cleansing Offer.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the financial market operated by it (as the context requires).
ASX Listing Rules	means the listing rules of ASX.
ASX Settlement Operating Rules	means the settlement rules of the securities clearing house which operates CHESS.
Automic Pty Ltd	means Automic Pty Ltd ACN 152 260 814.
Board	means the board of Directors unless the context indicates otherwise.
Broker Quoted Options	means the 5,500,000 Options proposed to be issued to Cygnet, or its nominees, as part consideration for the provision of lead manager services in connection with the Placement, which are proposed to be Quoted on ASX.
Broker Unquoted Option	means the 1,000,000 unquoted Options issued to Cygnet, or its nominees, as part consideration for the provision of lead manager services in connection with the Placement.
CHESS	means the ASX's clearing house electronic subregister system.
Cleansing Options	means the Options offered pursuant to this Prospectus.
Closing Date	means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).
Company	means Patagonia Lithium Ltd ACN 654 004 403.
Completion	means the completion of the issue of Cleansing Options pursuant to the Cleansing Offer.
Constitution	means the constitution of the Company.

Control	has the meaning given to that term in the Corporations Act.
Corporations Act	means the *Corporations Act 2001* (Cth).
Cygnet	means Cygnet Capital Pty Limited ACN 103 488 606.
Directors	means the directors of the Company as at the date of this Prospectus.
Equity Securities	has the meaning given to that term in the ASX Listing Rules.
Lead Manager	means Cygnet.
Option	means an option to acquire a Share.
Performance Right	means a right to acquire a Share in the capital of the Company subject to the satisfaction of performance milestones.
Placement	means the placement announced to the ASX on 11 June 2026.
Placement Options	means the Options issued in connection with the Placement.
Prospectus	means this prospectus, as supplemented or amended from time to time in accordance with the Corporations Act.
Quotation	means official quotation of Equity Securities on the ASX. The term **Quoted** has a corresponding meaning.
Related Bodies Corporate	has the meaning given to that term in the Corporations Act.
Relevant Interest	has the meaning given to that term in the Corporations Act.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.
Share Registry	means Automic Pty Ltd ABN 27 152 260 814 of Level 5, 191 St Georges Terrace Perth WA 6000.
Tenements	means the mineral exploration tenements in which the Company has a legal or beneficial interest, and mineral exploration tenements in which the Company may, in future, have a legal or beneficial interest.
United States	means the United States of America.
Unquoted Options	means Options that are not Quoted on the ASX.
Voting Power	has the meaning given to that term in the Corporations Act.

7. Corporate Directory

Directors

Mr Phillip Thomas	Executive Chairman
Mr Richard Anthon	Non-Executive Director
Mr Pablo Tarantini	Non-Executive Director

Company secretary

Mr Jarek Kopias

Share Registry

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

Telephone: 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia)

Website: https://www.automicgroup.com.au/

Registered office

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Website: https://patagonialithium.com.au/