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11 June 2026

$11.4 Million Placement to Progress Formentera Lithium Project

Patagonia Lithium Ltd (**ASX:PL3, Patagonia** or **Company**) is pleased to advise that it has received firm commitments to issue up to 34,000,000 fully paid ordinary shares in the capital of Patagonia (**Shares**) at an issue price of A$0.10 per Share, under a private placement to institutional and sophisticated investors and existing shareholders to raise A$3,400,000 (before expenses) (**Placement**). Participants in the Placement will also be issued one (1) quoted option for every two (2) Shares issued under the Placement, for no additional consideration, subject to shareholder approval. The 17,000,000 attaching options will have an exercise price of $0.16 per Share, expire on 31 March 2028 and will be quoted subject to meeting ASX conditions for quotation (**Quoted Option**) – detailed terms are contained in Appendix 1.

Funds raised from the Placement will be principally used for:

- Drilling well 8 on the Cilon Concession
- Upgrade of the Mineral Resource Estimate,
- Preparation of a Scoping study
- Planning of 1,000 tonne lithium carbonate demonstration plant; and
- Working capital.

The Placement will be made in accordance with the Company's available placement capacity pursuant to ASX Listing Rule 7.1 (14,000,000 Shares) and Listing Rule 7.1A (20,000,000 Shares). Each new Share issued under the Placement will rank equally with existing Shares on issue. Settlement and allotment of the new Shares under the Placement is expected to occur by 19 June 2026.

The issue price represents:

- 17.3% discount to the 15-day VWAP (2.1 cents) for the purposes of Listing Rule 7.1A
- 12.0% discount to the 5-day VWAP
- 9.1% discount to the last closing price of $0.11 on 5 June 2026.

Cygnet Capital Pty Limited (**Cygnet**) (www.cygnetcapital.com.au) acted as Lead Manager and Bookrunner to the Placement. Cygnet will be paid cash management fee of $15,000 and 6% of the $3,400,000 raised, and, subject to shareholder approval, will be issued 5,500,000 Quoted Options in the same class as Placement participants.

The Company has also agreed to raise a further $8,000,000 from existing and new investors on the same terms as Placement participants via issue of 80,000,000 Shares at $0.10 per Share and 40,000,000 attaching Quoted Options (**Additional Placement**). There are no fees associated with the issue of shares under the Additional Placement and all Shares and Quoted Options are subject to Shareholder approval. The agreements with two of the investors grant the right to appoint a nominee director following completion of the Additional Placement whereby a holding of at least 10% is maintained in the Company.

The Company has also agreed to issue Cygnet 1,000,000 Unquoted Options under Listing Rule 7.1 (terms are contained in Appendix 2) as broker fees under an advisory mandate.

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This announcement is intended to lift the current trading halt.

Authorised for release by the Board of the Company.

For further information please contact:

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Our socials – www.patagonialithium.com.au, x.com @pataLithium, Instagram, facebook, LinkedIn and Youtube.

https://www.youtube.com/watch?v=EGY2uUe2AbA - please visit the website to subscribe for announcements (ASX Announcements tab) via email.

ABOUT PATAGONIA LITHIUM LTD

Patagonia Lithium has **two major lithium brine projects** – Formentera/Cilon in Salar de Jama, Jujuy province covering 19,500 has and Tomas III at Incahuasi Salar covering 580 Has in Salta Province of northern Argentina in the declared lithium triangle. In Brazil the Company has been granted five exploration concession packages **41,746 ha** of concessions where the company is exploring for **ionic REE clays, Niobium, Antimony and Lithium in pegmatites**. The Company has staked next door to the largest Niobium producer (CMOC) in Brazil in Goiás state with 10,024 tonnes per annum of Niobium production.

Since listing on 31 March 2023, surface sampling and MT geophysics have been completed, drill holes JAM-24-01, JAM-24-02, JAM-24-03 and JAM-24-04 completed. Progress to date has been exceptional as measured by lithium assays and pump tests. The MT Geophysics at Tomas III on Incahuasi salar is very prospective. In July 2023, a 10 drill hole drill program was approved for Formentera and a three drill hole program for Cilon. Samples as **high as 1,122 ppm Li** (2 June 2023 announcement) were recorded at Formentera and a Lithium value of **591 ppm in drill hole JAM-24-01** (Outstanding Assay Results from First Drilling in Argentina released on 3 May 2024). Very low resistivities were recorded to more than 1 km depth during the MT Geophysics survey at Formentera. On 14 July 2025 an upgraded Mineral Resource Estimate was released with **551,000 tonnes LCE.**

The Company confirms it is not aware of any new information or data that materially affects the information cross referenced in this announcement and all material assumptions and technical parameters underpinning the MRE (lodged on 14 July 2025 as "Lithium Carbonate Mineral Resource increased by 319%") continue to apply and have not materially changed. The LCE MRE of 551,400t LCE @ 294mg/L is comprised of 14,800t LCE @ 393mg/L Indicated MRE and 536,600t LCE @ 292mg/L Inferred MRE. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcements.

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Appendix 1 – terms of Quoted Options

Exercise Period and Expiry Date
The Options are exercisable at any time on a Business Day prior to 5:00pm (Sydney time) on 31 March 2028 (Expiry Date). Options not exercised by that date will lapse.

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

Notice of Exercise
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 Patagonia Lithium, 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 Patagonia Lithium and in any event no earlier than Patagonia Lithium 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.

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 Patagonia Lithium'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, Patagonia Lithium 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.

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.

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.

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

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

Capital reorganisation
If there is a reorganisation of the issued capital of Patagonia Lithium (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.

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Appendix 2 – terms of Unquoted Options

Exercise Period and Expiry Date
The Options are exercisable at any time on a Business Day prior to 5:00pm (Sydney time) on 31 December 2027 (Expiry Date). Options not exercised by that date will lapse.

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

Notice of Exercise
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 Patagonia Lithium, 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 Patagonia Lithium and in any event no earlier than Patagonia Lithium 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.

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 Patagonia Lithium'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, Patagonia Lithium 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.

Transfer and Quotation
The Options are not transferable. Patagonia Lithium has not and will not apply to the ASX for Quotation of the Options.

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.

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

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

Capital reorganisation
If there is a reorganisation of the issued capital of Patagonia Lithium (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.