

Patagonia Lithium Ltd

ACN 654 004 403

Annual Report - 31 December 2024

Patagonia Lithium Ltd
Corporate directory
31 December 2024

Directors

Phillip Thomas (Executive Chairman)
Pablo Tarantini (Non-Executive Director)
Rick Anthon (Non-Executive Director)

Company secretary

Jarek Kopias

Registered office

Level 6, 505 Little Collins Street,
Melbourne VIC 3000

Principal place of business

Level 6, 505 Little Collins Street,
Melbourne VIC 3000
0433 747 380

Share register

Automic Pty Ltd
Level 5, 126-130 Phillip Street,
Sydney NSW 2000
1300 288 664

Auditor

Hall Chadwick Melbourne Audit
Level 14, 440 Collins Street,
Melbourne VIC 3000

Solicitors

Moray & Agnew Lawyers
Level 6, 505 Little Collins Street,
Melbourne VIC 3000

Website

www.patagonialithium.com.au

Corporate Governance Statement

The Board has adopted policies, charters and practices reported against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations – 4th Edition (ASX Recommendations). The Board continually monitors and reviews its existing and required policies, charters and procedures with a view to ensuring its compliance with the ASX Recommendations to the extent deemed appropriate for the size of the Company and its status.

A summary of the Company's ongoing corporate governance practices is set out annually in the Company's Corporate Governance Statement and can be found on the Company's website at <https://www.patagonialithium.com.au/corporate-governance>.

Patagonia Lithium Ltd
Directors' report
31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Patagonia Lithium Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Directors

The following persons were directors of Patagonia Lithium Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Phillip Thomas
Rick Anthon (appointed 19 February 2024)
Gino D'Anna (resigned 1 March 2024)
Feiyu Qi (resigned 23 February 2025)
Paul Boyatzis (resigned 18 January 2024)
Pablo Tarantini (appointed 12 November 2024)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of pursuing lithium exploration projects in Argentina and Brazil.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$414,294 (31 December 2023: \$1,109,953).

Refer to the separate Review of operations that directly follows this Directors' Report.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity, other than those disclosed in the Review of Operations, during the financial year.

Matters subsequent to the end of the financial year

On 18 March 2025, the company issued 12,500,000 fully paid ordinary shares at a price of 8 cents per share raising \$1,000,000 before costs under a share placement.

On 21 March 2025, the company issued 1,628,505 fully paid ordinary shares at a price of 8 cents per share raising \$130,280 before costs under an entitlement offer.

On 27 March 2025, the company issued 30,444,603 fully paid ordinary shares at a price of 8 cents per share raising \$2,435,568 before costs to the underwriter of the entitlement offer.

Since 31 December 2024, the company has repaid all short terms loans and convertible notes, meaning that the company is debt free at the date of this report.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law, however does have obligations through its subsidiaries in Argentina and Brazil. The majority of its activities involve low level disturbance associated with exploration drilling programs. Approvals, licences, hearings and other regulatory requirements are performed, as required, by the consolidated entity's management for each permit or lease in which the Group has an interest.

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Directors' report
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Information on directors

Name: Phillip Thomas
Title: Executive Chairman
Qualifications: Phillip graduated from Australian National University majoring in Geology and received his Master's Degree in Business from Monash University. He is a Fellow of the AusIMM, a Member of the Australian Institute of Geoscientists and Director and Member of Australasian Institute of Mineral Valuers and Appraisers and is a Certified Mineral Valuer.
Experience and expertise: Phillip has extensive experience in lithium exploration, geochemistry, geophysics, process design and production. He has more than 20 years' experience working in Argentina on Pocitos, Guayatayoc, Salinas Grandes, Pozuelos, Rincon and Incahuasi salars. He is past COO and QP of Recharge Resources Ltd and past CEO and chairman of Admiralty Resources NL where he and his team explored and developed a pilot plant at the Rincon Salar sold to Rio Tinto for \$925m, with 1.1 million tonnes LCE. Phillip has written several NI43-101 reports, the most recent for Pocitos and Incahuasi salar projects. Phillip is President of Ekosolve Inc a Lithium DLE company. He is a Competent Person for JORC reporting having more than 5 years' experience in lithium brine style of mineralisation.
Other current directorships: Nil
Former directorships (last 3 years): Austral Resources Australia Ltd (ASX:AR1) - resigned July 2024 Recharge Resources Ltd (CSE:RR) Canada - resigned July 2024
Special responsibilities: Member of Audit Committee
Interests in shares: 2,568,573 fully paid ordinary shares
Interests in options and rights: 2,057,001 unquoted options and 262,500 quoted options (ASX:PL30) over ordinary shares and 2,000,000 unquoted performance rights.

Name: Rick Anthon
Title: Non-Executive Director (appointed 19 February 2024)
Experience and expertise: Mr Anthon is a practicing lawyer with over 30 years' experience in both corporate and commercial law. Rick has extensive experience in the resource sector, as a director of a number of resource companies and as legal adviser, including project acquisition and development, capital raising and corporate governance.
Other current directorships: Chairman of Greenwing Resources Ltd (ASX:GW1), Armada Metals Limited (ASX:AMM) and a Non-Executive director of Laneway Resources Ltd (ASX:LNY).
Former directorships (last 3 years): Nil
Special responsibilities: Member of Audit Committee
Interests in shares: Nil
Interests in options: 1,000,000 unquoted options over ordinary shares.

Name: Gino D'Anna (resigned 1 March 2024)
Title: Non-Executive Director
Experience and expertise: Gino has significant primary and secondary capital markets experience and has extensive experience in resource exploration, public company operations, administration and financial management. Gino has experience in Canadian Government and First Nations relations in the mining sector and has worked in numerous jurisdictions including Australia, Botswana, Namibia and Canada. In addition, he has been involved in the exploration and development of many projects including new discoveries and the continued development of existing discoveries.
Other current directorships: N/A
Former directorships (last 3 years): N/A
Interests in shares: N/A
Interests in options: N/A

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Name: Paul Boyatzis
Title: Non-Executive Director (resigned 18 January 2024)
Qualifications: Paul is a member of the Australian Institute of Company Directors, the Securities and Derivatives Industry Association and the Australian Society of Accountants.
Experience and expertise: Paul has over 35 years' experience in the investment and equity markets specifically within emerging growth companies in the resources and financial services sector in Australia and internationally. He has significant experience in the Australian capital markets and in the strategic development of ASX listed companies. Paul was instrumental in the formation of Nexus Minerals Ltd and as founding Chairman has played a pivotal role in the development of the company.
Other current directorships: N/A
Former directorships (last 3 years): N/A
Interests in shares: N/A
Interests in options: N/A

Name: Sam Qi
Title: Non-Executive Director (appointed 7 August 2023 and resigned 23 February 2025)
Qualifications: Sam graduated from Shanghai University with a major in project management.
Experience and expertise: Sam has over 20 years' experience in providing professional services and is CEO of Fuyang Mingin New Energy Development Co., Ltd.
Other current directorships: N/A
Former directorships (last 3 years): N/A
Interests in shares: N/A
Interests in options: N/A

Name: Pablo Tarantini
Title: Non-Executive Director
Qualifications: Mr Tarantini is certified as Public Accountant and holds a Bachelor's Degree in Business Administration from Universidad Católica Argentina (UCA). He has a Master in Business Administration Degree from Harvard Business School.
Experience and expertise: Pablo Tarantini has accumulated broad professional experience in the mining industry. For two years, he has served as Executive Director of the Argentinian Bureau of Investment and International Trade, coordinating investment initiatives, and contributing with his vast experience in several industries and countries. In that role, Mr Tarantini worked together with mining companies settled in the country and supported the promotion of mining activity in Argentina, along with the Argentinian Secretary of Mining.
He has served as President and Executive Director of SAPISA and Minera Don Nicolás, an Argentinian private equity fund and one of its investments in the mining sector, respectively. Minera Don Nicolás is the first local mining project based on Argentinian capital. He has also served as M&A Director at General Electric and Advent International Corporation for Latin America, and as Manager at AT Kearney. Mr Tarantini is a non-executive Director of Latin Resources Limited (ASX:LRS), Compañía Minera Aguilar and Integra Lithium. In all these roles, he has carried out businesses and projects at the regional level.
Other current directorships: Non-Executive Director of Latin Resources Limited (ASX:LRS)
Former directorships (last 3 years): Nil
Interests in shares: Nil
Interests in options: Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

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Company secretary

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

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

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2024, and the number of meetings attended by each director were:

| | Full Board | | Audit and Risk Committee | |
|-----------------|------------|------|--------------------------|---|
| | Attended | Held | | |
| Phillip Thomas | 7 | 7 | 2 | 2 |
| Paul Boyatzis | - | - | - | - |
| Gino D'Anna | 1 | 1 | - | - |
| Sam Qi | 5 | 7 | 2 | 2 |
| Rick Anthon | 6 | 6 | 2 | 2 |
| Pablo Tarantini | - | - | - | - |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

The directors approved numerous matters via circular resolution during the reporting period.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward.

The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

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The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Non-executive directors' fees will be paid within an aggregate limit which is to be approved by the shareholders from time to time. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act at the time of the directors retirement or termination.

ASX listing rules requires that the aggregate non-executive directors' remuneration shall be determined periodically by a general meeting. The shareholders approved an aggregate limit of \$500,000 at the company's 2023 annual general meeting.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components. In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience.

The executive remuneration and reward framework has the following components:

- base pay and non-monetary benefits
- share-based payments

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are determined by the board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

The long-term incentives ('LTI') includes share-based payments comprising options.

Use of remuneration consultants

During the financial year, the consolidated entity has not used remuneration consultants.

Voting and comments made at the company's 24 March 2024 Annual General Meeting ('AGM')

At the 24 March 2024 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2023. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

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| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | Total |
|---------------------------------|----------------------|------------|--------------|--------------------------|--------------------|----------------------|----------------|
| | Cash salary and fees | Cash bonus | Non-monetary | Super-annuation | Long service leave | Equity-settled | |
| 2024 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Non-Executive Directors:</i> | | | | | | | |
| Paul Boyatzis | 4,440 | - | - | - | - | - | 4,440 |
| Gino D'Anna | 8,880 | - | - | - | - | - | 8,880 |
| Sam Qi | 53,280 | - | - | - | - | - | 53,280 |
| Rick Anthon | 51,250 | - | - | - | - | 12,187 | 63,437 |
| Pablo Tarantini | 6,444 | - | - | - | - | - | 6,444 |
| <i>Executive Directors:</i> | | | | | | | |
| Phillip Thomas | 121,068 | - | - | - | - | 21,538 | 142,606 |
| | <u>245,362</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>33,725</u> | <u>279,087</u> |

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | Total |
|---------------------------------|----------------------|------------|--------------|--------------------------|--------------------|----------------------|----------------|
| | Cash salary and fees | Cash bonus | Non-monetary | Super-annuation | Long service leave | Equity-settled | |
| 2023 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Non-Executive Directors:</i> | | | | | | | |
| Paul Boyatzis | 43,215 | - | - | - | - | - | 43,215 |
| Gino D'Anna | 43,215 | - | - | - | - | - | 43,215 |
| Sam Qi | 21,197 | - | - | - | - | - | 21,197 |
| <i>Executive Directors:</i> | | | | | | | |
| Phillip Thomas | 96,999 | - | - | - | - | - | 96,999 |
| | <u>204,626</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>204,626</u> |

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name | Fixed remuneration | | At risk - STI | | At risk - LTI | |
|---------------------------------|--------------------|------|---------------|------|---------------|------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| <i>Non-Executive Directors:</i> | | | | | | |
| Paul Boyatzis | 100% | 100% | - | - | - | - |
| Gino D'Anna | 100% | 100% | - | - | - | - |
| Sam Qi | 100% | 100% | - | - | - | - |
| Rick Anthon | 81% | - | - | - | 19% | - |
| Pablo Tarantini | 100% | - | - | - | - | - |
| <i>Executive Directors:</i> | | | | | | |
| Phillip Thomas | 85% | 100% | - | - | 15% | - |

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Phillip Thomas
Title: Executive Chairman
Term of agreement: He is entitled to \$108,000 per annum (exclusive of superannuation entitlements).

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Directors' report
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Name: Paul Boyatzis
 Title: Non-Executive Director (resigned 18 January 2024)
 Term of agreement: He is entitled to \$48,000 per annum (exclusive of superannuation entitlements).

Name: Gino D'Anna
 Title: Non-Executive Director (resigned 1 March 2024)
 Term of agreement: He is entitled to \$48,000 per annum (exclusive of superannuation entitlements).

Name: Sam Qi
 Title: Non-Executive Director (resigned 23 February 2025)
 Agreement commenced: 7 August 2023
 Term of agreement: He is entitled to \$48,000 per annum (exclusive of superannuation entitlements).

Name: Rick Anthon
 Title: Non Executive Director (appointed 19 February 2025)
 Term of agreement: He is entitled to \$60,000 per annum.

Name: Pablo Tarantini
 Title: Non-Executive Director (appointed 12 November 2024)
 Agreement commenced: 12 November 2024
 Term of agreement: He is entitled to \$48,000 per annum.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to key management personnel as part of compensation during the year ended 31 December 2024.

Options

| Name | Number of options granted | Grant date | Vesting date and exercisable date | Expiry date | Exercise price | Fair value per option at grant date |
|-------------|---------------------------|-------------|-----------------------------------|-----------------|----------------|-------------------------------------|
| Rick Anthon | 1,000,000 | 24 May 2024 | 24 May 2024 | 10 October 2025 | \$0.270 | \$0.012 |

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 December 2024 and period ended 31 December 2022 are set out below:

| Name | Number of options granted during the year 2024 | Number of options granted during the year 2023 | Number of options vested during the year 2024 | Number of options vested during the year 2023 |
|-------------|--|--|---|---|
| Rick Anthon | 1,000,000 | - | 1,000,000 | - |

Performance rights

During the financial year Phil Thomas received 2,000,000 performance rights which vest with the below performance conditions being met before 30 June 2025:-

- The company announcing a JORC compliant Mineral Resource Estimate (inferred or better) of 500,000 of contained Lithium Carbonate; and
- The company releasing a scoping study (or a study with a greater level confidence) related to the Mineral Resource Estimate

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Both performance conditions were considered probable of being achieved and expense of \$21,538 has been recognised over the estimated vested period. The performance rights had not vested at 31 December 2024.

Additional information

The earnings of the consolidated entity for the three years to 31 December 2024 are summarised below:

| | 2024 \$ | 2023 \$ | 2022 \$ |
|-----------------------|------------|-------------|-------------|
| Loss after income tax | (414,294) | (1,109,953) | (1,469,060) |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

| | 2024 | 2023 | 2022 |
|--|--------|--------|---------|
| Share price (\$) * | 0.09 | 0.13 | - |
| Basic earnings per share (cents per share) | (0.68) | (2.07) | (10.67) |
| Diluted earnings per share (cents per share) | (0.68) | (2.07) | (10.67) |

* On 31 March 2023, the company was admitted to the official list of the Australian Securities Exchange (ASX).

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Disposed * | Additions ** | Conversion of convertible notes | Balance at the end of the year |
|------------------------|--|-----------------|----------------|---------------------------------------|--------------------------------------|
| <i>Ordinary shares</i> | | | | | |
| Phillip Thomas | 1,140,000 | - | 380,001 | 734,000 | 2,254,001 |
| Paul Boyatzis | 50,000 | (50,000) | - | - | - |
| | <u>1,190,000</u> | <u>(50,000)</u> | <u>380,001</u> | <u>734,000</u> | <u>2,254,001</u> |

* Disposal represents resignation as director.

** Additions include 367,000 shares received on the conversion of convertible notes.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Granted | Additions | Disposed | Balance at the end of the year |
|-------------------------------------|--|------------------|----------------|--------------------|--------------------------------------|
| <i>Options over ordinary shares</i> | | | | | |
| Phillip Thomas * | 1,762,500 | - | 557,001 | - | 2,319,501 |
| Paul Boyatzis * | 1,000,000 | - | - | (1,000,000) | - |
| Gino D'Anna * | 1,000,000 | - | - | (1,000,000) | - |
| Rick Anthon | - | 1,000,000 | - | - | 1,000,000 |
| | <u>3,762,500</u> | <u>1,000,000</u> | <u>557,001</u> | <u>(2,000,000)</u> | <u>3,319,501</u> |

* Disposal represents resignation as director.

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Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Granted | Vested | Expired/ forfeited/ other | Balance at the end of the year |
|--|----------------------------------|-----------|--------|---------------------------|--------------------------------|
| <i>Performance rights over ordinary shares</i> | | | | | |
| Philip Thomas | - | 2,000,000 | - | - | 2,000,000 |
| | - | 2,000,000 | - | - | 2,000,000 |

At 31 December 2024, directors had provided loans with below balances through related entities:

- Phil Thomas \$339,529 including accrued interest; and
- Rick Anthon \$25,863 including accrued interest.

In addition, Phil Thomas also had convertible notes with a value of \$98,940 outstanding at 31 December 2024.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Patagonia Lithium Ltd under option at the date of this report are as follows:

| Grant date | Expiry date | Exercise price | Number under option |
|-------------------|------------------|----------------|---------------------|
| 5 October 2022 | 5 October 2025 | \$0.270 | 1,500,000 |
| 10 October 2022 | 10 October 2025 | \$0.270 | 2,000,000 |
| 24 March 2023 | 24 March 2026 | \$0.270 | 2,000,000 |
| 9 October 2023 | 15 December 2025 | \$0.300 | 14,641,250 |
| 24 May 2024 | 10 October 2025 | \$0.270 | 1,000,000 |
| 20 September 2024 | 31 August 2025 | \$0.150 | 3,669,904 |
| 17 December 2024 | 31 August 2026 | \$0.180 | 3,000,000 |
| | | | <u>27,811,154</u> |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares under performance rights

There were 2,000,000 unissued ordinary shares of Patagonia Lithium Ltd under performance rights outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Patagonia Lithium Ltd issued on the exercise of options during the year ended 31 December 2024 and up to the date of this report.

Shares issued on the exercise of performance rights

There were no ordinary shares of Patagonia Lithium Ltd issued on the exercise of performance rights during the year ended 31 December 2024 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Hall Chadwick Audit

There are no officers of the company who are former partners of Hall Chadwick Audit.

Auditor's independence declaration

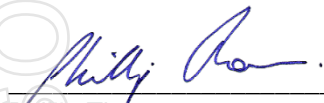
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Hall Chadwick Audit continues in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Phillip Thomas
Executive Chairman

31 March 2025

Annual Report
Argentina

The highlight of the year was the Mineral Resource Estimate where WSP Australia estimated an in-situ inferred Mineral Resource Estimate of 717,000 tonnes of lithium metal equivalent which when multiplied by 5.323 is a lithium carbonate equivalent of **3.8 million tonnes** (ASX announcement “Significant Maiden Lithium Mineral Resource” dated 22 January 2025). The porosity was estimated at 13% in the high porous areas and 4% in the lower areas dominated by clays or interpolation of nearby data. The free flow extractable brine was calculated at 173,000 tonnes of lithium carbonate equivalent.

Further work includes three BMR gamma surveys to determine the porosity in wells 1,3 and 4 and drilling well 5 on Cilon to 600m depth.

| Domain | Sediment Volume (m ³) | Specific Yield (%) | Brine Volume (L) | Li Grade (mg/L) ¹ | Li Metal (kt) ² | Li Yield (kt) | LCE (kt) ³ | Mg Grade (mg/L) ¹ | Mg Metal (kt) | Mg Yield (kt) |
|---------------------------------|-----------------------------------|--------------------|------------------------|------------------------------|----------------------------|---------------|-----------------------|------------------------------|---------------|---------------|
| Inferred Resources | | | | | | | | | | |
| High Porosity Salar | 90,262,500 | 13 | 11,734,125,000 | 461.6 | 42 | 5 | 29 | 945.7 | 85 | 11 |
| Salar | 3,059,125,000 | 4 | 122,365,000,000 | 220.7 | 675 | 27 | 144 | 854.5 | 2,614 | 105 |
| Total Inferred Resources | 3,149,387,500 | | 134,099,125,000 | 234.7 | 717 | 32 | 173 | 857.4 | 2,699 | 116 |

Table 1 Maiden MRE with a 100 ppm Li cut-off grade (COG) applied.

Notes:

- 1) Grade values are the average estimated value for the domain in the Maptek Vulcan™ Block Model.
 - 2) Total in situ contained lithium metal (717,000 tonnes).
 - 3) Extractable LCE(173,000 tonnes).
 - 4) No recovery, dilution or other similar mining parameters have been applied.
 - 5) Although the Mineral Resources presented in this report are believed to have a reasonable expectation of being extracted economically, they are not Mineral Reserves. Estimation of Mineral Reserves requires the application of modifying factors and a minimum of a Pre-feasibility Study (PFS). The modifying factors include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, and governmental factors.
 - 6) Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. There is no certainty that any or all of the mineral resources can be converted into mineral reserve after application of the modifying factors.
- The Company commenced drilling on 4 March 2024 and completed the maiden well JAM 24-01 in early April to a depth of 370m. The core showed excellent porosity characteristics (for pumping brines) and specific gravity increased to 1.196 gm/cm³ at 360m depth indicating an increase in mineral concentration in the brines. The highest lithium assay was 591ppm (ASX announcement “Outstanding Assay Results from First Drilling in Argentina” dated 3 May 2024).
 - The Company completed an environmental monitoring survey, and the results were sent to the Jujuy mines department.
 - WSP Australia JORC competent person, geologist and hydrologist Jason Van Akker visited the site and inspected the drilling of well JAM 24-01.
 - The Company received outstanding lithium values from Well One (JAM 24-01) packer tests which were 591ppm lithium with 27-47% porosity and an aquifer zone from 170-370m.

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| Zone - SGS | Sample No | from | to | Interval | SG | Lithium | Magnesium | Mg:Li ratio | Boron | Potassium | Conductivity | pH | TDS | Flow rate | |
|-----------------------------|-----------|-------------------------|-------|----------|-------|---------|-----------|-------------|-------|-----------|--------------|---------|---------|-----------|---------|
| | | M | M | M | g/ML | ppm | ppm | | ppm | ppm | uS/cm | | mg/L | L/Min | |
| ground water | 1 | 30.00 | 44.5 | 14.5 | 0.999 | <10 | <10 | 1.00 | 13 | 40 | 4,501 | 6.8 | 1,767 | 1.66 | |
| | 2 | 44.50 | 56.5 | 12.0 | 0.999 | <10 | <10 | 1.00 | <10 | <10 | 439 | 7.7 | 667.0 | 8.0 | |
| | 3 | 56.50 | 68.5 | 12.0 | 0.999 | <10 | <10 | 1.00 | <10 | 24 | 4,659 | 7.6 | 1,133 | 11.76 | |
| | 4 | Blank - distilled water | | | | 0.999 | <10 | <10 | 1.00 | <10 | <10 | 261 | 8.7 | 400 | |
| transition zone | 5 | 104.5 | 106.7 | 2.2 | 1.053 | 110 | 682 | 6.20 | 279 | 1,292 | 91,670 | 7.3 | 75,267 | 14.28 | |
| | 6 | 122.5 | 124.7 | 2.2 | 1.075 | 99 | 594 | 6.00 | 256 | 1,226 | 69,200 | 6.9 | 66,833 | 11.11 | |
| sands, gravels aquifer zone | 7 | 170.5 | 173.5 | 3.0 | 1.094 | 237 | 842 | 3.55 | 354 | 2,906 | 149,800 | 7.1 | 139,250 | 5.71 | |
| | 8 | duplicate of 7 | | | | 3.0 | 1.094 | 235 | 832 | 3.54 | 353 | 2,880 | 149,600 | 7.1 | 137,250 |
| | 9 | 215.5 | 221.5 | 6.0 | 1.114 | 316 | 927 | 2.93 | 372 | 3,221 | 170,400 | 7 | 165,900 | 3.44 | |
| | 10 | 260.5 | 266.5 | 6.0 | 1.159 | 485 | 923 | 1.90 | 460 | 4,144 | 205,700 | 7 | 237,450 | 2.38 | |
| | 11 | 278.5 | 279.7 | 1.2 | 1.172 | 502 | 910 | 1.81 | 488 | 4,398 | 209,600 | 6.9 | 258,150 | 3.9 | |
| | 12 | Standard - A300 | | | | 1.219 | 94 | 592 | 6.30 | 590 | 1,593 | 290,900 | 1 | 315,500 | |
| lower aquifer | 13 | 317 | 329.5 | 12.0 | 1.188 | 539 | 964 | 1.79 | 525 | 4,452 | 213,300 | 6.8 | 277,200 | 7.14 | |
| gravels, sands | 14 | 339.5 | 361.2 | 21.7 | 1.186 | 591 | 879 | 1.49 | 522 | 4,190 | 219,500 | 8.9 | 281,350 | 7.4 | |
| | | EOH | | | | 370.0 | | | | | | | | | |

Table 2. Packer assays from Well JAM 24-01

- The Company completed Jam 24-04 (well 2) on 20 May 2024 - drilled to a depth of 347m. The core showed excellent porosity characteristics (72,000L lithium brine were pumped over 15 tests) and specific gravity increased to 1.185 gm/cm³ at 302m depth indicating an increase in lithium concentration.
- Assays from SGS and Alex Stewart well 2 were as follows:

| Alex Stewart Assay - Zone | Sample No | from | to | Interval | SG | Lithium | Magnesium | Mg:Li ratio | Boron | Potassium | Conductivity | pH | Packer Flow rate |
|---------------------------|-----------|--------|-------|----------|-------|---------|-----------|-------------|-------|-----------|--------------|-----|------------------|
| | | M | M | M | g/ML | ppm | ppm | | ppm | ppm | uS/cm | | L/Min |
| upper aquifer | 1 | 75.79 | 80.5 | 4.71 | 1.002 | 1 | 9 | 9.00 | 11 | 32 | 1.95 | 7.1 | 9.52 |
| | 2 | 102.79 | 107.5 | 4.71 | 1.001 | <1 | 11 | 0.00 | 4 | 29 | 1.71 | 7.4 | 12.50 |
| sands | 3 | 141.79 | 145.1 | 3.31 | 1.055 | 132 | 739 | 5.60 | 276 | 1522 | 92.21 | 7.1 | 8.33 |
| | 4 | 157.29 | 161.5 | 4.21 | 1.05 | 121 | 653 | 5.40 | 260 | 1463 | 84.47 | 6.9 | 11.11 |
| | 5 | 177.29 | 182 | 4.71 | 1.096 | 254 | 897 | 3.53 | 342 | 2478 | 150.29 | 6.9 | 10.53 |
| | 6 | 222.79 | 227.5 | 4.71 | 1.096 | 256 | 902 | 3.52 | 345 | 2486 | 151.48 | 7 | 2.08 |
| | 7 | 239.5 | 245.5 | 6 | 1.113 | 327 | 991 | 3.03 | 354 | 2811 | 166.59 | 6.9 | 8.33 |
| | 8 | 260.5 | 269.5 | 9 | 1.161 | 474 | 979 | 2.07 | 447 | 3761 | 205.69 | 6.8 | 7.14 |
| lower aquifer | 9 | 281.5 | 296.5 | 15 | 1.174 | 506 | 969 | 1.92 | 471 | 3980 | 210.33 | 6.8 | 6.90 |
| | 10 | 302.5 | 314.5 | 12 | 1.182 | 510 | 1012 | 1.98 | 503 | 4250 | 214.01 | 6.7 | 8.00 |
| gravels, sands | 11 | 302.5 | 335.5 | 33 | 1.189 | 580 | 937 | 1.62 | 501 | 4008 | 217.89 | 6.7 | 8.00 |
| | | EOH | | | | 347.00 | | | | | | | |

Table 3. Alex Stewart Laboratory Assay and flow tests well 2- JAM 24-04

| SGS Assay - Zone | Sample No | from | to | Interval | SG | Lithium | Magnesium | Mg:Li ratio | Boron | Potassium | Conductivity | pH | Total Dissolved Solids | Packer Flow rate |
|------------------|-----------|--------|--------|----------|--------|---------|-----------|-------------|--------|-----------|--------------|------|------------------------|------------------|
| | | M | M | M | g/ML | ppm | ppm | | ppm | ppm | uS/cm | | ppm | L/Min |
| upper aquifer | 1 | 76 | 81 | 4.71 | | | | | | | | | | 9.52 |
| | 2 | 103 | 108 | 4.71 | | | | | | | | | | 12.50 |
| sands | 3 | 142 | 145 | 3.31 | | | | | | | | | | 8.33 |
| | 4 | 157 | 162 | 4.21 | | | | | | | | | | 11.11 |
| | 5 | 177 | 182 | 4.71 | | | | | | | | | | 10.53 |
| | 6 | 223 | 228 | 4.71 | | | | | | | | | | 2.08 |
| QA/QC Standard | Li 400 | | | | 1.2134 | 415.00 | 1425.00 | 2.49 | 459.00 | 3024 | 291400.0 | 1.00 | | |
| | 9.00 | 281.50 | 296.50 | 15.00 | 1.1892 | 534.00 | 921.00 | 1.63 | 493.00 | 4143 | 216800.0 | 6.8 | 283650 | 7.14 |
| lower aquifer | 10.00 | 302.50 | 314.50 | 12.00 | 1.1740 | 572.00 | 970.00 | 1.70 | 507 | 4570.00 | 222700.0 | 6.7 | 265300 | 6.90 |
| | Dup 10 | 302.50 | 314.50 | 12.00 | 1.1892 | 564.00 | 959.00 | 1.70 | 508 | 4587 | 215700.0 | 6.7 | 283800 | 8.00 |
| | 11.00 | 302.50 | 335.50 | 33.00 | 1.1892 | 582.00 | 985.00 | 1.69 | 503 | 4474 | 215700.0 | 6.7 | 283800 | 8.00 |
| | | EOH | | | | 347.00 | | | | | | | | |
| | | | | | | Avg | 558 | | | | | | | |

Table 4. SGS Laboratory Assay and flow tests well 2- JAM 24-04

- Patagonia received approval to drill up to 8 wells on the Cilon concession where there is a significant MT geophysics low that is highly prospective for lithium.
- An application was commenced for a 1,000 tonne Ekosolve DLE plant after pilot plant testing returned excellent recoveries of **93% of lithium** from 267ppm Lithium sample.
- Packer tests in well Two assayed 582ppm Li (A28) with 27-47% porosity and an aquifer zone from 170-370m.

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| Alex Stewart Assay - Zone | Sample No | from M | to M | Interval M | SG g/ML | Lithium ppm | Magnesium ppm | Mg:Li ratio | Boron ppm | Potassium ppm | Conductivity uS/cm | pH | Packer Flow rate L/Min |
|------------------------------|-----------|--------|-------|------------|---------|-------------|---------------|-------------|-----------|---------------|--------------------|-----|------------------------|
| upper aquifer sands | 1 | 75.79 | 80.5 | 4.71 | 1.002 | 1 | 9 | 9.00 | 11 | 32 | 1.95 | 7.1 | 9.52 |
| | 2 | 102.79 | 107.5 | 4.71 | 1.001 | <1 | 11 | 0.00 | 4 | 29 | 1.71 | 7.4 | 12.50 |
| | 3 | 141.79 | 145.1 | 3.31 | 1.055 | 132 | 739 | 5.60 | 276 | 1522 | 92.21 | 7.1 | 8.33 |
| | 4 | 157.29 | 161.5 | 4.21 | 1.05 | 121 | 653 | 5.40 | 260 | 1463 | 84.47 | 6.9 | 11.11 |
| | 5 | 177.29 | 182 | 4.71 | 1.096 | 254 | 897 | 3.53 | 342 | 2478 | 150.29 | 6.9 | 10.53 |
| | 6 | 222.79 | 227.5 | 4.71 | 1.096 | 256 | 902 | 3.52 | 345 | 2486 | 151.48 | 7 | 2.08 |
| | 7 | 239.5 | 245.5 | 6 | 1.113 | 327 | 991 | 3.03 | 354 | 2811 | 166.59 | 6.9 | 8.33 |
| | 8 | 260.5 | 269.5 | 9 | 1.161 | 474 | 979 | 2.07 | 447 | 3761 | 205.69 | 6.8 | 7.14 |
| lower aquifer gravels, sands | 9 | 281.5 | 296.5 | 15 | 1.174 | 506 | 969 | 1.92 | 471 | 3980 | 210.33 | 6.8 | 6.90 |
| | 10 | 302.5 | 314.5 | 12 | 1.182 | 510 | 1012 | 1.98 | 503 | 4250 | 214.01 | 6.7 | 8.00 |
| | 11 | 302.5 | 335.5 | 33 | 1.189 | 580 | 937 | 1.62 | 501 | 4008 | 217.89 | 6.7 | 8.00 |
| | | EOH | | 347.00 | | | | | | | | | |

Table 5. Packer assays from Well 2- JAM 24-02

- Well 3 (JAM24-03) assayed 470ppm Li (37A-279m-284m) in an aquifer zone confirming continued high lithium in the brines.

| SGS Assay - Zone | Sample No | from M | to M | Interval M | SG g/ML | Lithium ppm | Magnesium ppm | Mg:Li ratio | Boron ppm | Potassium ppm | Conductivity uS/cm | pH | Total Dissolved Solids ppm | Packer Flow rate L/Min |
|---------------------|-----------|--------|--------|------------|---------|-------------|---------------|-------------|-----------|---------------|--------------------|------|----------------------------|------------------------|
| upper aquifer sands | 1 | 86.50 | 104.50 | 18.00 | | N/A | | | | | | | | 267 |
| | 2 | 128.50 | 134.50 | 6.00 | | N/A | | | | | | | | 400 |
| lower aquifer sands | 3 | 158.50 | 164.50 | 6.00 | | N/A | | | | | | | | 706 |
| | 4 | 188.50 | 194.50 | 6.00 | | N/A | | | | | | | | 750 |
| | 5 | 218.50 | 224.50 | 6.00 | 1.1149 | 336 | 1054 | 3.14 | 404 | 3288 | 173400.0 | 7 | 170950 | 706 |
| sand gravel | 5a -Dup | 218.50 | 224.50 | 6.00 | 1.1149 | 338 | 1037 | 3.07 | 399 | 3351 | 173000.0 | 7 | 169650 | 706 |
| | 6 | 249.79 | 254.50 | 4.71 | 1.1299 | 433 | 1478 | 3.41 | 459 | 3591 | 193600.0 | 7 | 191100 | 462 |
| | 7 | 279.79 | 284.50 | 4.71 | 1.1373 | 470 | 1543 | 3.28 | 486 | 3727 | 198500.0 | 7 | 201500 | 752 |
| QA/QC Standard | Dup 8 | 356.50 | 374.50 | 18.00 | | N/A | | | | | | | | 400 |
| | Li 248 | | | | 1.2124 | 256.00 | | | 540 | 106505 | 302800.0 | <0.1 | 309800 | |
| | | EOH | | 376.00 | | Avg | | 413 | | | | | | |

Table 6. Packer assays from Well 3 - JAM 24-03

- The Company completed Jam 24-04 (well 4) as announced on 17 October 2024 - drilled to a depth of 407m. The brine showed a specific gravity increase to 1.105 gm/cm³ at 396m depth.
- The results from the 72 hour pump test were exceptional at 3,551L per hour, 40% higher than well three.

| JAM24-04 | | | | | | | | | | | | | | |
|---------------------------|-----------|--------------------------|--------|------------|---------|-------------|-------------|---------------|-------------|---------------|--------------------|--------|------|--|
| Alex Stewart Assay - Zone | Sample No | from M | to M | Interval M | SG g/ML | Lithium ppm | SGS Lithium | Magnesium ppm | Mg:Li ratio | Potassium ppm | Conductivity uS/cm | pH | | |
| Standard 400ppm | S | Standard C-3001 (Li 400) | | | 1.212 | 397 | | | 1475 | 3.72 | 3156 | 287.29 | <1.0 | |
| | 7 | 251.50 | 263.50 | 12.00 | 1.060 | 152 | | 855 | 5.63 | 1409 | 99.65 | 7 | | |
| sands | D | duplicate for 7 | | | 1.081 | 197 | (9) 174 | | 834 | 4.23 | 1947 | 128.18 | 7.2 | |
| | 8 | 288.00 | 300.00 | 12.00 | 1.063 | 152 | | 815 | 5.36 | 1425 | 104.35 | 7.3 | | |
| | 9 | 324.79 | 332.50 | 7.71 | 1.073 | 174 | 177.00 | | 883 | 5.07 | 1704 | 117.84 | 7.3 | |
| | D | duplicate for 9 | | | 1.072 | 173 | 173.00 | | 885 | 5.12 | 1636 | 117.84 | 7.3 | |
| | 10 | 354.79 | 362.50 | 7.71 | 1.079 | 186 | 193.00 | | 921 | 4.95 | 1758 | 124.73 | 7.2 | |
| | 11 | 384.79 | 392.50 | 7.71 | 1.081 | 200 | 203.00 | | 849 | 4.25 | 1904 | 127.89 | 7.2 | |

Table 7. Packer assays from Well JAM 24-04, with 203ppm Li at 392m depth.

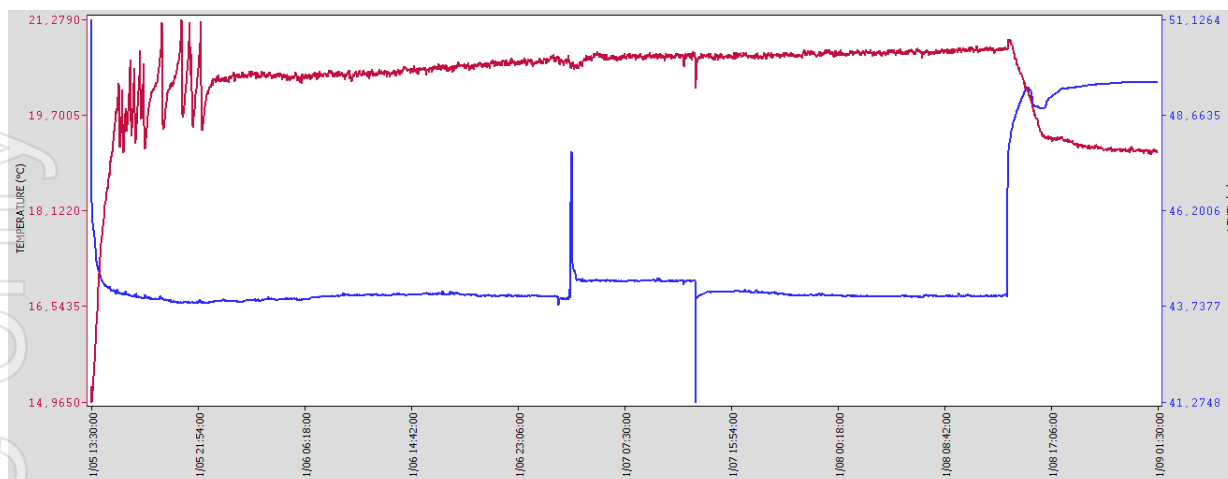


Figure 1. The above graph shows temperature (red line) and depth of brine in well (blue line) – the brine level drops 4.73m when pumping commences and stays at this level for 72 hours until pumping stops. The brine inflow refills the well to the static level in five hours.

- Tests on 3 cores selected from well 4 showed outstanding total porosity in two units at 151m and 390m supporting the lithological analysis of a deep aquifer.
- Patagonia surveyed and located the well to be drilled on the Cilon concession which is planned for after the Mineral Resource Estimate completion in mid-February 2025.
- Work continued on the Production EIR Ekosolve™ demonstration plant application, and it was upgraded to 1,000 tonnes capacity of lithium carbonate with testing on reinjection of waste brines from the proposed Ekosolve Plant into barren areas, and evaporating in the lagoon and ponds.

Brazil

- The company PL3 Brazil Mineracao Ltda was incorporated, and an application was submitted in February 2024 for 25 exploration concessions in the states of Minas Gerais, Goiás and Mato Grosso which all have now been granted.
- Concession 830178/2024 has been granted covering 1734.22 ha, 6km from the town of Agua Boa and covers the Serra Negra Group granites targeting Ionic clay rare earth elements in the state of Mato Grosso, Brazil.
- REE ionic clays and carbonatites and pegmatites targets have been identified and prioritised for the next stage of soil sampling.
- Concession 830164/165 in the Goiás state has shown to be highly prospective for rare earths and niobium with the following REE values achieved from roadside cuttings and channels:

| Samples | Type | Σ REE | Σ REO | Σ heavy REE | Σ light REE |
|-----------|------------------|--------|---------|-------------|-------------|
| MC-PL-047 | Regolith | 242,64 | 291,89 | 56,12 | 186,52 |
| MC-PL-048 | Regolith | 183,98 | 221,72 | 23,69 | 160,29 |
| MC-PL-049 | Channel sediment | 994,76 | 1196,46 | 47,38 | 947,38 |
| MC-PL-050 | Regolith | 247,68 | 295,99 | 53,74 | 193,94 |
| MC-PL-053 | Regolith | 139,83 | 168,41 | 26,86 | 112,97 |
| MC-PL-055 | Rock | 213,03 | 254,26 | 19,17 | 193,86 |
| MC-PL-056 | Rock | 373,75 | 447,04 | 60,28 | 313,47 |
| MC-PL-057 | Regolith | 305,72 | 367,27 | 79,65 | 226,07 |
| MC-PL-058 | Regolith | 230,33 | 275,92 | 34,76 | 195,57 |
| MC-PL-059 | Regolith | 171,98 | 206,59 | 29,90 | 142,08 |
| MC-PL-060 | Regolith | 190,41 | 231,83 | 33,81 | 156,60 |
| MC-PL-061 | Regolith | 149,49 | 179,79 | 30,78 | 118,71 |
| MC-PL-066 | Regolith | 250,90 | 300,81 | 48,71 | 202,19 |

Table 8. Roadside sampling in the area 830164/165 in Goiás state.

- Concession 830164/165 in the Goiás state has shown to be highly prospective for rare earths and **niobium** and short wave and an Infra-red satellite survey will be conducted when the concessions are granted. It is located adjacent to the CMOG niobium mine – the largest producer in the world.
- Reconnaissance work is being planned for the Goiás concessions 830164/165 as a priority.

Corporate

The Company completed two capital raisings.

- In July 2024 the Company completed a non-renounceable entitlement offer of one (1) new fully paid ordinary share (Share) for every three (3) Shares held at the Record Date at an issue price of \$0.09 per Share, together with one (1) attaching option for every two (2) Shares issued, with an exercise price of \$0.15 and expiry of 31 August 2025 (Option) on a 1 for 2 basis (Entitlement Offer). The Company issued 430,802 New Shares and 215,404 attaching Options to Patagonia shareholders entitled to participate in the Entitlement Offer – raising \$38,700 before expenses. The Attaching Options have an exercise price of \$0.15 and are exercisable at any time prior to 5:00pm (AEST) on 31 August 2025.
- The Company issued 14.9 million new fully paid ordinary shares to raise \$1.343 million at \$0.09 per share under a share placement (Placement) with Jose Manzano, Principal of Argentinian based investment company, Integra Capital.
- Paul Boyatzis resigned as director in January 2024. Gino D'Anna also resigned as a Director in March 2024 and Rick Anthon was appointed in April 2024. Rick has been a key executive with Orocobre a lithium carbonate producer in Argentina since 2014 up to 2025 when Rio Tinto acquired Arcadium Limited. In October 2024 Pablo Tarantini, a highly skilled and experienced mining executive based in Argentina joined the board. In February 2025 Sam Qi resigned as a Director.

Patagonia Lithium Ltd
Contents
31 December 2024

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General information

The financial statements cover Patagonia Lithium Ltd as a consolidated entity consisting of Patagonia Lithium Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Patagonia Lithium Ltd's functional and presentation currency.

Patagonia Lithium Ltd is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 6, 505 Little Collins Street
Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 March 2025. The directors have the power to amend and reissue the financial statements.

**PATAGONIA LITHIUM LIMITED
ACN 654 004 403**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF PATAGONIA LITHIUM LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Patagonia Lithium Limited and controlled entities. As the lead audit partner for the audit of the financial report of Patagonia Lithium Limited for the year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Anh (Steven) Nguyen
Director
Date: 31 March 2025

Hall Chadwick Melbourne
Level 14 440 Collins Street
Melbourne VIC 3000

For personal use only

Patagonia Lithium Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

| | Note | Consolidated 2024 \$ | 2023 \$ |
|---|------|----------------------------|------------------|
| Revenue | | | |
| Other income | | 27,273 | - |
| Interest revenue calculated using the effective interest method | | 14,652 | 16,320 |
| Gain on hyperinflation | 8 | - | 130,109 |
| Expenses | | | |
| Corporate and administration expenses | | (1,036,741) | (925,542) |
| Impairment of investments | | (5,998) | - |
| IPO costs expensed | | - | (48,281) |
| Foreign exchange gains/ (losses) | | 868,297 | (1,547) |
| Share based payment expense | | (144,802) | - |
| Other expenses | | (83,617) | (273,170) |
| Finance costs | | (53,358) | (7,842) |
| Loss before income tax expense | | (414,294) | (1,109,953) |
| Income tax expense | 4 | - | - |
| Loss after income tax expense for the year attributable to the owners of Patagonia Lithium Ltd | | (414,294) | (1,109,953) |
| Other comprehensive income | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation | | 235,274 | 209,564 |
| Other comprehensive income for the year, net of tax | | 235,274 | 209,564 |
| Total comprehensive income for the year attributable to the owners of Patagonia Lithium Ltd | | <u>(179,020)</u> | <u>(900,389)</u> |
| | | Cents | Cents |
| Basic earnings per share | 25 | (0.68) | (2.07) |
| Diluted earnings per share | 25 | (0.68) | (2.07) |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Patagonia Lithium Ltd
Statement of financial position
As at 31 December 2024

| | Note | Consolidated 2024 \$ | 2023 \$ |
|-----------------------------|------|----------------------------|--------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 57,546 | 2,650,901 |
| Trade and other receivables | 6 | 147,093 | 88,746 |
| Prepayments | | 79,585 | 151,494 |
| Total current assets | | <u>284,224</u> | <u>2,891,141</u> |
| Non-current assets | | | |
| Other receivables | 7 | 646,975 | - |
| Exploration and evaluation | 8 | 10,049,317 | 4,442,737 |
| Total non-current assets | | <u>10,696,292</u> | <u>4,442,737</u> |
| Total assets | | <u>10,980,516</u> | <u>7,333,878</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 9 | 1,703,670 | 95,291 |
| Borrowings | 10 | 867,210 | 119,293 |
| Total current liabilities | | <u>2,570,880</u> | <u>214,584</u> |
| Total liabilities | | <u>2,570,880</u> | <u>214,584</u> |
| Net assets | | <u>8,409,636</u> | <u>7,119,294</u> |
| Equity | | | |
| Issued capital | 11 | 9,835,277 | 8,554,703 |
| Reserves | 12 | 1,567,666 | 1,143,604 |
| Accumulated losses | | <u>(2,993,307)</u> | <u>(2,579,013)</u> |
| Total equity | | <u>8,409,636</u> | <u>7,119,294</u> |

The above statement of financial position should be read in conjunction with the accompanying notes

Patagonia Lithium Ltd
Statement of changes in equity
For the year ended 31 December 2024

| Consolidated | Issued capital \$ | Reserves \$ | Accumulated losses \$ | Total equity \$ |
|--|-----------------------------|-----------------------|---------------------------------|---------------------------|
| Balance at 1 January 2023 | 3,342,347 | 544,274 | (1,469,060) | 2,417,561 |
| Loss after income tax expense for the year | - | - | (1,109,953) | (1,109,953) |
| Other comprehensive income for the year, net of tax | - | 209,564 | - | 209,564 |
| Total comprehensive income for the year | - | 209,564 | (1,109,953) | (900,389) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Contributions of equity, net of transaction costs (note 11) | 5,212,356 | - | - | 5,212,356 |
| Share-based payments (note 26) | - | 286,410 | - | 286,410 |
| Conversion of convertible notes | - | (43,057) | - | (43,057) |
| Funds received in relation to loyalty options | - | 146,413 | - | 146,413 |
| Balance at 31 December 2023 | <u>8,554,703</u> | <u>1,143,604</u> | <u>(2,579,013)</u> | <u>7,119,294</u> |
| | Issued capital \$ | Reserves \$ | Accumulated losses \$ | Total equity \$ |
| Consolidated | | | | |
| Balance at 1 January 2024 | 8,554,703 | 1,143,604 | (2,579,013) | 7,119,294 |
| Loss after income tax expense for the year | - | - | (414,294) | (414,294) |
| Other comprehensive income for the year, net of tax | - | 235,274 | - | 235,274 |
| Total comprehensive income for the year | - | 235,274 | (414,294) | (179,020) |
| Equity portion of convertible notes | - | 9,249 | - | 9,249 |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Contributions of equity, net of transaction costs (note 11) | 1,280,574 | - | - | 1,280,574 |
| Share-based payments (note 26) | - | 179,539 | - | 179,539 |
| Balance at 31 December 2024 | <u>9,835,277</u> | <u>1,567,666</u> | <u>(2,993,307)</u> | <u>8,409,636</u> |

The above statement of changes in equity should be read in conjunction with the accompanying notes

Patagonia Lithium Ltd
Statement of cash flows
For the year ended 31 December 2024

| | Note | Consolidated 2024 \$ | 2023 \$ |
|--|------|----------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Payments to suppliers (inclusive of GST) | | (1,153,241) | (1,028,121) |
| Interest and other finance costs paid | | (16,814) | (14,222) |
| Other income | | 27,273 | - |
| Interest received | | 30,972 | - |
| Foreign currency gains | | 868,297 | - |
| Indirect taxes paid | | (721,641) | - |
| Net cash used in operating activities | 23 | <u>(965,154)</u> | <u>(1,042,343)</u> |
| Cash flows from investing activities | | | |
| Payments for investments | | (5,998) | - |
| Payments for exploration and evaluation rights | | (3,779,167) | (796,548) |
| Net cash used in investing activities | | <u>(3,785,165)</u> | <u>(796,548)</u> |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | 11 | 1,398,442 | 4,150,000 |
| Proceeds from loyalty options | | - | 146,413 |
| Proceeds from borrowings | | 505,974 | - |
| Proceeds from convertibles notes | | 400,000 | - |
| Share issue transaction costs relating to IPO | | (149,191) | (635,147) |
| Repayment of borrowings | | - | (94,198) |
| Net cash from financing activities | | <u>2,155,225</u> | <u>3,567,068</u> |
| Net increase/(decrease) in cash and cash equivalents | | (2,595,094) | 1,728,177 |
| Cash and cash equivalents at the beginning of the financial year | | 2,650,901 | 684,476 |
| Effects of exchange rate changes on cash and cash equivalents | | 1,739 | 238,248 |
| Cash and cash equivalents at the end of the financial year | 5 | <u><u>57,546</u></u> | <u><u>2,650,901</u></u> |

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Consolidated Entity incurred a loss from ordinary activities of \$414,294 for the year ended 31 December 2024 and had negative cash flows from operating activities of \$965,154.

Management has prepared a cash flow forecast covering at least the next 12 months, considering the company's existing cash reserves and the \$3,565,848 million raised post-year-end. While this funding supports short-term liquidity, management continues to explore additional financing options to meet future operational and strategic needs, and believe that there are reasonable grounds to believe that the Consolidated Entity will be able to meet its commitments for at least 12 months from the date of signing this report, for the below reasons;

- Since 31 December 2024, the company has issued 44,573,108 fully paid ordinary shares raising \$3,565,848 before costs. Refer to note 22;
- As an ASX listed entity, the company has the ability to access equity capital markets and has a history of being able to raise additional capital as and when the directors consider appropriate; and
- Management remain diligent in their monitoring of cash flows day by day.

Accordingly, the directors believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. In the event that the Consolidated Entity is unsuccessful in implementing the above-stated initiatives, a material uncertainty exists, that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and its ability to recover assets and discharge liabilities in normal course of business and at the amounts shown in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the company not continue as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 20.

Note 1. Material accounting policy information (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Patagonia Lithium Ltd ('company' or 'parent entity') as at 31 December 2024 and the results of all subsidiaries for the year then ended. Patagonia Lithium Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Patagonia Lithium Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Determination of functional currency of Argentina subsidiary

Based on the primary indicators under IAS 21 - The Effects of Change in Foreign Exchange Rates, the company has adopted the US dollar as the functional currency of Patagonia Lithium Argentina S.A with effect from 1 January 2024.

During the current financial year the company headed into the next development phase for its Argentinian projects, and the material contracts are in USD.

The company has a loan agreement with the subsidiary which is denominated in USD, and all transfers to Argentina are done in USD.

Note 1. Material accounting policy information (continued)

The comparative figures have not been restated as the amount is considered immaterial.

Revenue and income recognition

The consolidated entity recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue and income

Other revenue and income is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Cash and cash equivalents

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

Trade and other receivables

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

Exploration and evaluation assets

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

Note 1. Material accounting policy information (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Share-based payments

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

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

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

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

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

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Note 1. Material accounting policy information (continued)

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Patagonia Lithium Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2024. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being pursuing lithium exploration projects in South America.

Note 4. Income tax expense

Numerical reconciliation of income tax expense and tax at the statutory rate

| | Consolidated 2024 | 2023 |
|--|------------------------------|-------------|
| | \$ | \$ |
| Loss before income tax expense | (414,294) | (1,109,953) |
| Tax at the statutory tax rate of 25% | (103,574) | (277,488) |
| Current year tax losses not recognised | 164,716 | 212,220 |
| Impact of tax of overseas subsidiaries | (101,924) | 68,331 |
| Impact of permanent and timing differences | 40,782 | (3,063) |
| Income tax expense | <u>-</u> | <u>-</u> |

| | Consolidated 2024 | 2023 |
|---|------------------------------|----------------|
| | \$ | \$ |
| <i>Tax losses not recognised</i> | | |
| Unused tax losses for which no deferred tax asset has been recognised | 2,271,480 | 1,612,613 |
| Potential tax benefit @ 25% | <u>567,870</u> | <u>403,153</u> |

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Patagonia Lithium Ltd
Notes to the financial statements
31 December 2024

Note 5. Current assets - cash and cash equivalents

| | Consolidated | |
|-----------------|---------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Cash on hand | 361 | 424 |
| Cash at bank | 57,185 | 650,477 |
| Cash on deposit | - | 2,000,000 |
| | <u>57,546</u> | <u>2,650,901</u> |

Note 6. Current assets - trade and other receivables

| | Consolidated | |
|---------------------------|---------------------|---------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Other receivables | 76,859 | 40,269 |
| Interest receivable | - | 16,320 |
| Indirect taxes receivable | 70,234 | 32,157 |
| | <u>147,093</u> | <u>88,746</u> |

Note 7. Non-current assets - other receivables

| | Consolidated | |
|----------------------------|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Indirect taxes receivables | <u>646,975</u> | <u>-</u> |

The non-current portion of the Argentinian indirect taxes will only be recovered once the revenue is generated in Argentina.

Note 8. Non-current assets - exploration and evaluation

| | Consolidated | |
|--------------------------------------|---------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Exploration and evaluation - at cost | <u>10,049,317</u> | <u>4,442,737</u> |

Patagonia Lithium Ltd
Notes to the financial statements
31 December 2024

Note 8. Non-current assets - exploration and evaluation (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| Consolidated | Exploration & evaluation \$ |
|-----------------------------|-----------------------------------|
| Balance at 1 January 2023 | 4,002,618 |
| Additions | 796,548 |
| Gain on hyperinflation | 130,109 |
| Exchange differences | <u>(486,538)</u> |
| Balance at 31 December 2023 | 4,442,737 |
| Additions | 5,285,056 |
| Exchange differences | <u>321,524</u> |
| Balance at 31 December 2024 | <u><u>10,049,317</u></u> |

The Consolidated Entity's exploration focus during the year was on its lithium assets in Argentina with that expenditure making up the vast majority of the expenditure incurred during the year.

Note 9. Current liabilities - trade and other payables

| | Consolidated | |
|-----------------------------|-------------------------|----------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Trade payables | 46,045 | 68,218 |
| Other payables and accruals | <u>1,657,625</u> | <u>27,073</u> |
| | <u><u>1,703,670</u></u> | <u><u>95,291</u></u> |

Refer to note 14 for further information on financial instruments.

Note 10. Current liabilities - borrowings

| | Consolidated | |
|---------------------------|-----------------------|-----------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Insurance premium funding | - | 119,293 |
| Short Term loans | 519,548 | - |
| Convertible notes payable | <u>347,662</u> | <u>-</u> |
| | <u><u>867,210</u></u> | <u><u>119,293</u></u> |

Refer to note 14 for further information on financial instruments.

Convertible notes

The convertible notes had a face value of \$1 per note and matured on 10 January 2025 with interest payable at 10% per annum. At any time, the lender may elect to convert all or any of the convertible notes. If converted the lender is 11.11 shares for every convertible note. An equity portion of \$9,249 has been recognised in relation to these notes, refer to note 12.

The notes have all been repaid in full since 31 December 2024.

Patagonia Lithium Ltd
Notes to the financial statements
31 December 2024

Note 10. Current liabilities - borrowings (continued)

Short terms loans

The balance in relation to short terms loans included the principal and accrued interest of \$13,574. The total interest payable on the loans amounted to 10% of the amount contributed and they were due for repayment on 14 January 2025.

All amounts have been repaid since 31 December 2024.

Note 11. Equity - issued capital

| | 2024 | Consolidated | | |
|------------------------------|-------------------|---------------------|------------------|------------------|
| | Shares | 2023 | 2024 | 2023 |
| | | Shares | \$ | \$ |
| Ordinary shares - fully paid | <u>74,837,252</u> | <u>58,565,000</u> | <u>9,835,277</u> | <u>8,554,703</u> |

Movements in ordinary share capital

| Details | Date | Shares | Issue price | \$ |
|--|-------------------|-------------------|--------------------|------------------|
| Balance | 1 January 2023 | 29,315,000 | | 3,342,347 |
| Issues of shares - conversion of convertible notes | 11 January 2023 | 8,500,000 | \$0.200 | 1,700,000 |
| Issue of shares | 24 March 2023 | 20,750,000 | \$0.200 | 4,150,000 |
| Less cost of capital raised | | - | \$0.000 | (637,644) |
| Balance | 31 December 2023 | 58,565,000 | | 8,554,703 |
| Issue of shares | 20 September 2024 | 430,802 | \$0.090 | 38,772 |
| Issue of shares - conversion of notes | 20 September 2024 | 734,000 | \$0.090 | 66,060 |
| Issue of shares | 6 November 2024 | 15,107,450 | \$0.090 | 1,359,670 |
| Less cost of capital raised | | - | \$0.000 | (183,928) |
| Balance | 31 December 2024 | <u>74,837,252</u> | | <u>9,835,277</u> |

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 11. Equity - issued capital (continued)

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 2023 Annual Report.

Note 12. Equity - reserves

| | Consolidated | |
|------------------------------|---------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Foreign currency reserve | 444,838 | 209,564 |
| Share-based payments reserve | 967,166 | 787,627 |
| Convertible note reserve | 9,249 | - |
| Loyalty option reserve | 146,413 | 146,413 |
| | <u>1,567,666</u> | <u>1,143,604</u> |

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Convertible note reserve

The reserve is used to recognise the equity portion of convertible notes.

Loyalty options reserve

The reserve is used to recognise the funds received in relation to 14,621,250 loyalty options issued on 9 October 2023, with an exercise price of \$0.30 and expiring on 15 December 2023.

Note 12. Equity - reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

| | Loyalty options \$ | Foreign currency \$ | Convertible notes \$ | Share-based payments \$ | Total \$ |
|---|-----------------------|------------------------|-------------------------|----------------------------|------------------|
| Consolidated | | | | | |
| Balance at 1 January 2023 | - | - | 43,057 | 501,217 | 544,274 |
| Share based payments | - | - | - | 286,410 | 286,410 |
| Funds received in relation to loyalty options | 146,413 | - | - | - | 146,413 |
| Foreign currency translation | - | 209,564 | - | - | 209,564 |
| Conversion of notes | - | - | (43,057) | - | (43,057) |
| Balance at 31 December 2023 | 146,413 | 209,564 | - | 787,627 | 1,143,604 |
| Equity portion of convertible note * | - | - | 9,249 | - | 9,249 |
| Share based payments | - | - | - | 179,539 | 179,539 |
| Foreign currency translation | - | 235,274 | - | - | 235,274 |
| Balance at 31 December 2024 | <u>146,413</u> | <u>444,838</u> | <u>9,249</u> | <u>967,166</u> | <u>1,567,666</u> |

* The equity portion of the convertible notes was calculated using an interest rate of 15% and a repayment date of 9 January 2025.

Note 13. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 14. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

| | Assets | | Liabilities | |
|---------------------|------------|------------|-------------|------------|
| | 2024 \$ | 2023 \$ | 2024 \$ | 2023 \$ |
| Consolidated | | | | |
| US dollars | - | 114,416 | - | - |

Note 14. Financial instruments (continued)

Price risk

The consolidated entity is not exposed to any significant price risk.

| Consolidated - 2024 | % change | Average price increase | | Average price decrease | |
|---------------------|----------|-----------------------------|------------------|-----------------------------|------------------|
| | | Effect on profit before tax | Effect on equity | Effect on profit before tax | Effect on equity |
| US dollar | - | - | - | - | - |

| Consolidated - 2023 | % change | Average price increase | | Average price decrease | |
|---------------------|----------|-----------------------------|------------------|-----------------------------|------------------|
| | | Effect on profit before tax | Effect on equity | Effect on profit before tax | Effect on equity |
| US dollar | 10% | (11,442) | (11,442) | 11,442 | 11,442 |

Interest rate risk

The consolidated entity is not exposed to material interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity does not generate revenue and for this reason is not exposed to material credit risk.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| Consolidated - 2024 | Weighted average interest rate % | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
|--------------------------------------|----------------------------------|-------------------|--------------------------|--------------------------|-----------------|-------------------------------------|
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables and other payables | - | 1,703,670 | - | - | - | 1,703,670 |
| <i>Interest-bearing - fixed rate</i> | | | | | | |
| Short term loans | 10.00% | 519,548 | - | - | - | 519,548 |
| Convertible notes | 10.00% | 347,662 | - | - | - | 347,662 |
| Total non-derivatives | | 2,570,880 | - | - | - | 2,570,880 |

Note 14. Financial instruments (continued)

| Consolidated - 2023 | Weighted average interest rate % | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
|--------------------------------------|---|----------------------|--------------------------------|--------------------------------|--------------------|--|
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables and other payables | - | 95,291 | - | - | - | 95,291 |
| <i>Interest-bearing - fixed rate</i> | | | | | | |
| Insurance premium funding | 5.58% | 119,293 | - | - | - | 119,293 |
| Total non-derivatives | | 214,584 | - | - | - | 214,584 |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 15. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

| | Consolidated 2024 \$ | 2023 \$ |
|------------------------------|-------------------------------------|--------------------|
| Short-term employee benefits | 245,362 | 204,626 |
| Share-based payments | 33,725 | - |
| | 279,087 | 204,626 |

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Hall Chadwick Audit, the auditor of the company, and unrelated firms:

| | Consolidated 2024 \$ | 2023 \$ |
|---|-------------------------------------|--------------------|
| <i>Audit services - Hall Chadwick Audit</i> | | |
| Audit or review of the financial statements | 36,500 | 27,500 |
| <i>Audit services - unrelated firms</i> | | |
| Audit or review of the financial statements | 10,600 | - |

Note 17. Contingent liabilities

The consolidated entity had no contingent liabilities at 31 December 2024 and 31 December 2023.

Note 18. Commitments

The consolidated entity has no commitments at 31 December 2024 and 31 December 2023.

Patagonia Lithium Ltd
Notes to the financial statements
31 December 2024

Note 19. Related party transactions

Parent entity

Patagonia Lithium Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 21.

Key management personnel

Disclosures relating to key management personnel are set out in note 15 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

| | Consolidated | |
|--|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Payment for goods and services: | | |
| Exploration consulting paid to Gurtan Pty Ltd (an entity related to Phillip Thomas) | 33,190 | 9,964 |
| Exploration consulting paid to Panopus Pte Ltd (an entity related to Phillip Thomas) | - | 6,000 |
| Exploration consulting paid to Ekosolve Ltd (an entity related to Phillip Thomas) | - | 85,000 |
| Other expenses: | | |
| Interest accrued on loans to directors and related entities | 9,418 | - |

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

| | Consolidated | |
|---------------------------|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Current payables: | | |
| Fees payable to directors | 52,122 | 24,740 |

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

| | Consolidated | |
|---|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Current borrowings: | | |
| Short term loans from directors and related entities (including accrued interest) | 365,392 | - |
| Convertible notes from directors and related entities | 98,590 | - |

On 20 September 2024, an entity related to Phil Thomas received 734,000 fully paid ordinary shares on the conversion of convertible notes.

Patagonia Lithium Ltd
Notes to the financial statements
31 December 2024

Note 20. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

| | Parent | |
|----------------------------|------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Loss after income tax | (821,991) | (861,135) |
| Total comprehensive income | <u>(821,991)</u> | <u>(861,135)</u> |

Statement of financial position

| | Parent | |
|------------------------------|-------------------------|-------------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Total current assets | 149,656 | 2,833,810 |
| Total assets | <u>8,783,292</u> | <u>7,370,413</u> |
| Total current liabilities | 977,373 | 211,865 |
| Total liabilities | <u>977,373</u> | <u>211,865</u> |
| Equity | | |
| Issued capital | 9,835,277 | 8,554,703 |
| Share-based payments reserve | 967,166 | 787,627 |
| Convertible note reserve | 9,249 | - |
| Loyalty option reserve | 146,413 | 146,413 |
| Accumulated losses | <u>(3,152,186)</u> | <u>(2,330,195)</u> |
| Total equity | <u><u>7,805,919</u></u> | <u><u>7,158,548</u></u> |

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2024 and 31 December 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2024 and 31 December 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2024 and 31 December 2023.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

Patagonia Lithium Ltd
Notes to the financial statements
31 December 2024

Note 21. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

| Name | Principal place of business / Country of incorporation | Ownership interest | |
|---------------------------------|---|--------------------|-----------|
| | | 2024 % | 2023 % |
| Patagonia Lithium Argentina S.A | Argentina | 100.00% | 100.00% |
| PL3 Brazil Mineracao LTDA | Brazil | 100.00% | 100.00% |

Note 22. Events after the reporting period

On 18 March 2025, the company issued 12,500,000 fully paid ordinary shares at a price of 8 cents per share raising \$1,000,000 before costs under a share placement.

On 21 March 2025, the company issued 1,628,505 fully paid ordinary shares at a price of 8 cents per share raising \$130,280 before costs under an entitlement offer.

On 27 March 2025, the company issued 30,444,603 fully paid ordinary shares at a price of 8 cents per share raising \$2,435,568 before costs to the underwriter of the entitlement offer.

Since 31 December 2024, the company has repaid all short terms loans and convertible notes, meaning that the company is debt free at the date of this report.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 23. Reconciliation of loss after income tax to net cash used in operating activities

| | Consolidated | |
|--|------------------|--------------------|
| | 2024 \$ | 2023 \$ |
| Loss after income tax expense for the year | (414,294) | (1,109,953) |
| Adjustments for: | | |
| Impairment of investments | 5,998 | - |
| Share-based payments | 144,802 | - |
| Non-cash finance costs | 36,544 | (6,380) |
| Gain on hyperinflation | - | (130,109) |
| Change in operating assets and liabilities: | | |
| Increase in trade and other receivables | (705,321) | (57,928) |
| Decrease/(increase) in prepayments | 71,909 | (24,945) |
| Increase in trade and other payables | 14,501 | 167,679 |
| Increase/(decrease) in other operating liabilities | (119,293) | 119,293 |
| Net cash used in operating activities | <u>(965,154)</u> | <u>(1,042,343)</u> |

Patagonia Lithium Ltd
Notes to the financial statements
31 December 2024

Note 24. Changes in liabilities arising from financing activities

| Consolidated | Short Term Loans \$ | Convertible notes \$ | Total \$ |
|-------------------------------------|---------------------------|----------------------------|----------------|
| Balance at 1 January 2023 | - | 1,614,426 | 1,614,426 |
| Conversion of notes payable | - | (1,614,426) | (1,614,426) |
| Balance at 31 December 2023 | - | - | - |
| Net cash from financing activities | 505,974 | 400,000 | 905,974 |
| Accrued interest | 13,574 | 22,970 | 36,544 |
| Equity portion of convertible notes | - | (9,249) | (9,249) |
| Conversion of notes to equity | - | (66,060) | (66,060) |
| Balance at 31 December 2024 | <u>519,548</u> | <u>347,661</u> | <u>867,209</u> |

Note 25. Earnings per share

| | Consolidated 2024 \$ | 2023 \$ |
|---|--|--------------------|
| Loss after income tax attributable to the owners of Patagonia Lithium Ltd | <u>(414,294)</u> | <u>(1,109,953)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>61,156,862</u> | <u>53,590,342</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>61,156,862</u> | <u>53,590,342</u> |
| | Cents | Cents |
| Basic earnings per share | (0.68) | (2.07) |
| Diluted earnings per share | (0.68) | (2.07) |

Options that could potentially dilute basic earnings per share in the future, were not included in the calculation of diluted earnings per share because they are antidilutive.

Note 26. Share-based payments

During the year the year, 4,000,000 options over ordinary shares were issued to directors and consultants as part of their remuneration. A total expense of \$144,802 has been recognised in relation to these options. In addition, 3,000,000 options over ordinary shares were issued to a broker as remuneration for services rendered and an expense of \$34,737 was recognised as a cost of capital raised.

Set out below are summaries of options granted during the year:

| | Number of options 2024 | Weighted average exercise price 2024 | Number of options 2023 | Weighted average exercise price 2023 |
|--|------------------------------|---|------------------------------|---|
| Outstanding at the beginning of the financial year | 5,500,000 | \$0.270 | 3,500,000 | \$0.270 |
| Granted | <u>7,000,000</u> | <u>\$0.180</u> | <u>2,000,000</u> | <u>\$0.270</u> |
| Outstanding at the end of the financial year | <u>12,500,000</u> | <u>\$0.220</u> | <u>5,500,000</u> | <u>\$0.270</u> |
| Exercisable at the end of the financial year | <u>12,500,000</u> | <u>\$0.220</u> | <u>5,500,000</u> | <u>\$0.270</u> |

Patagonia Lithium Ltd
Notes to the financial statements
31 December 2024

Note 26. Share-based payments (continued)

2024

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|------------------|-----------|---------------------------|--------------------------------|
| 05/10/2022 | 04/10/2025 | \$0.270 | 1,500,000 | - | - | - | 1,500,000 |
| 10/10/2022 | 10/10/2025 | \$0.270 | 2,000,000 | - | - | - | 2,000,000 |
| 24/03/2023 | 24/03/2026 | \$0.270 | 2,000,000 | - | - | - | 2,000,000 |
| 24/05/2024 | 10/10/2025 | \$0.270 | - | 1,000,000 | - | - | 1,000,000 |
| 20/09/2024 | 31/08/2025 | \$0.150 | - | 3,000,000 | - | - | 3,000,000 |
| 17/12/2024 | 31/08/2026 | \$0.000 | - | 3,000,000 | - | - | 3,000,000 |
| | | | <u>5,500,000</u> | <u>7,000,000</u> | <u>-</u> | <u>-</u> | <u>12,500,000</u> |

2023

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|------------------|-----------|---------------------------|--------------------------------|
| 05/10/2022 | 04/10/2025 | \$0.270 | 1,500,000 | - | - | - | 1,500,000 |
| 10/10/2022 | 10/10/2025 | \$0.270 | 2,000,000 | - | - | - | 2,000,000 |
| 24/03/2023 | 24/03/2026 | \$0.270 | - | 2,000,000 | - | - | 2,000,000 |
| | | | <u>3,500,000</u> | <u>2,000,000</u> | <u>-</u> | <u>-</u> | <u>5,500,000</u> |

Set out below are the options exercisable at the end of the financial year:

| Grant date | Expiry date | 2024 Number | 2023 Number |
|------------|-------------|-------------------|------------------|
| 05/10/2022 | 04/10/2025 | 1,500,000 | 1,500,000 |
| 10/10/2022 | 10/10/2025 | 2,000,000 | 2,000,000 |
| 24/03/2023 | 24/03/2026 | 2,000,000 | 2,000,000 |
| 25/05/2024 | 10/10/2025 | 1,000,000 | - |
| 20/09/2024 | | 3,000,000 | - |
| 17/12/2024 | 31/08/2026 | 3,000,000 | - |
| | | <u>12,500,000</u> | <u>5,500,000</u> |

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.03 years (2023: 1.93 years.)

For the options granted during the current and prior financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|------------|-------------|---------------------------|----------------|---------------------|----------------|-------------------------|--------------------------|
| 24/03/2023 | 24/03/2026 | \$0.200 | \$0.270 | 131.00% | - | 3.19% | \$0.143 |
| 24/05/2024 | 10/10/2025 | \$0.090 | \$0.270 | 89.00% | - | 4.04% | \$0.012 |
| 20/10/2024 | 31/08/2025 | \$0.080 | \$0.150 | 93.00% | - | 3.88% | \$0.012 |
| 17/12/2024 | 31/08/2026 | \$0.105 | \$0.180 | 95.00% | - | 4.16% | \$0.037 |

Performance rights

During the financial year Phil Thomas received 2,000,000 performance rights which vest with the below performance conditions being met before 30 June 2025:-

Note 26. Share-based payments (continued)

- The company announcing a JORC compliant Mineral Resource Estimate (inferred or better) of 500,000 of contained Lithium Carbonate; and
- The company releasing a scoping study (or a study with a great level confidence) related to the Mineral Resource Estimate

Both performance conditions were considered probable of being achieved and expense of \$21,538 has been recognised over the estimated vested period. The performance rights had not vested at 31 December 2024.

For personal use only

Patagonia Lithium Ltd
Directors' declaration
31 December 2024


In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Phillip Thomas
Executive Chairman

31 March 2025

Patagonia Lithium Ltd
Consolidated entity disclosure statement
As at 31 December 2024

| Entity name | Entity type | Place formed / Country of incorporation | Ownership interest % | Tax residency |
|------------------------------------|--------------------|--|-------------------------------------|----------------------|
| Patagonia Lithium Argentina S.A | Body Corporate | Argentina | 100.00% | Argentina |
| PL3 Brazil Mineracao LTDA | Body Corporate | Brazil | 100.00% | Brazil |

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with the Corporations Act 2001, includes information for each entity that was part of the consolidated entity as at 30 June 2024 and has regard to the Australian Taxation Office's Practical Compliance Guidance 2018/9.

Determination of tax residency

Section 295(3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted and which could give risk to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and where available, relevant revenue authority guidance in the determination of foreign tax residency.

Foreign tax residency

The consolidated entity has applied current legislation and where available, relevant revenue authority guidance in the determination of foreign tax residency.

PATAGONIA LITHIUM LIMITED
ACN 654 004 403

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PATAGONIA LITHIUM
LIMITED

Report on the Financial Report

Opinion

We have audited the financial report of Patagonia Lithium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, consolidated entity disclosure statement and the Directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if give to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of \$414,294 and had negative cash flows from operating activities of \$965,154 during the year ended 31 December 2024. These conditions, along with other matters described in Note 1, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 31 December 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How Our Audit Addressed the Key Audit Matter |
|---|--|
| <p>Exploration and Evaluation</p> <p>Refer to note 8 in the annual report.</p> <p>The Group carries exploration and evaluation assets as at 31 December 2024 in accordance with the Group's accounting policy for exploration and evaluation assets.</p> <p>The recoverability of exploration and evaluation assets is a key audit matter due to the significance of the total balance and the level of procedures undertaken to evaluate management's application of the requirements of <i>AASB6 Exploration for and Evaluation of Mineral Resources</i> in light of any indicators of impairment that may be present.</p> | <p>Our procedures included, amongst others:</p> <p>In assessing whether an indicator of impairment exists in relation to the Group's exploration assets in accordance with <i>AASB6 – Exploration for and Evaluation of Mineral Resources</i>, we:</p> <ul style="list-style-type: none"> ○ assessed management's determination of its area of interest for consistency with definition in <i>AASB 6 Exploration and Evaluation of Mineral Resources</i>; ○ obtained management's position on the assessment of impairment at the end of the year and evaluated it for reasonableness; ○ assessed the Group's rights to tenure by corroborating to agreements in place; ○ obtained and reviewed the component auditor's test of details, which included verifying a sample of exploration expenditures against supporting documentation to ensure accuracy, validity, and proper classification; and ○ examined the disclosures made in the financial report. |

Information Other Than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 10 of the Directors' Report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Patagonia Lithium Limited, for the year ended 31 December 2024, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of Patagonia Lithium Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Anh (Steven) Nguyen
Director

Hall Chadwick Melbourne Audit
Level 14 440 Collins Street
Melbourne VIC 3000
Date: 31 March 2025

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Patagonia Lithium Ltd
Shareholder information
31 December 2024

The shareholder information set out below was applicable as at 27 March 2025.

Distribution of equity securities

Analysis of number of equity security holders by size of holding:

| | Ordinary shares | | Options over ordinary shares | |
|---------------------------------------|-------------------|--------------------------|------------------------------|--------------------------|
| | Number of holders | % of total shares issued | Number of holders | % of total shares issued |
| 1 to 1,000 | 17 | - | 9 | 0.03 |
| 1,001 to 5,000 | 48 | 0.14 | 20 | 0.41 |
| 5,001 to 10,000 | 66 | 0.49 | 17 | 0.80 |
| 10,001 to 100,000 | 150 | 5.16 | 44 | 9.87 |
| 100,001 and over | 72 | 94.21 | 27 | 88.90 |
| | <u>353</u> | <u>100.00</u> | <u>117</u> | <u>100.00</u> |
| Holding less than a marketable parcel | <u>83</u> | <u>0.23</u> | | |

The Company has a total of 119,410,360 fully paid ordinary shares on issue, 9,436,500 of which are subject to an ASX restriction until 31 March 2025.

The Company has a total of 14,641,250 listed options on issue - exercise price of \$0.30 and expiry of 15 December 2025.

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

| | Ordinary shares | |
|---|-------------------|--------------------------|
| | Number held | % of total shares issued |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 45,377,053 | 38.00 |
| MAGNUS CAPITAL S A | 12,500,000 | 10.47 |
| FUYANG MINGJIN NEW ENERGY DEVELOPMENT CO LTD | 10,000,000 | 8.37 |
| 10 BOLIVIANOS PTY LTD | 7,337,670 | 6.14 |
| 10 BOLIVIANOS PTY LTD | 6,408,665 | 5.37 |
| SOUTHEAST MINGQING SUPPLY CHAIN (FUYANG) CO LTD | 3,750,000 | 3.14 |
| BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD> | 1,896,523 | 1.59 |
| FREEDOM TRADER PTY LTD | 1,700,127 | 1.42 |
| ASHMAT INVESTMENTS PTY LTD <HESTER INVESTMENT A/C> | 1,633,134 | 1.37 |
| VIVO TRADING PTY LTD | 1,100,000 | 0.92 |
| MR PHILLIP THOMAS | 1,048,572 | 0.88 |
| MR CON CARYDIAS | 1,010,000 | 0.85 |
| GURTAN PTY LTD | 1,000,000 | 0.84 |
| MR WAYNE ROLAND HINES | 862,330 | 0.72 |
| TAG INVESTMENTS AUSTRALIA PTY LTD <TAG INVESTMENT A/C> | 737,992 | 0.62 |
| MR ANTANAS GUOGA | 672,049 | 0.56 |
| CERTANE CT PTY LTD <RICHLINK HIGH-TECH INVEST> | 600,000 | 0.50 |
| TIMOTHY WONG | 550,000 | 0.46 |
| PUJARA SUPERANNUATION FUND PTY LTD <PUJARA SF A/C> | 528,035 | 0.44 |
| GURTAN PTY LTD | 520,001 | 0.44 |
| | <u>99,232,151</u> | <u>83.10</u> |

Patagonia Lithium Ltd
Shareholder information
31 December 2024

| | Options over ordinary shares | |
|--|------------------------------|---------------------------|
| | Number held | % of total options issued |
| FUYANG MINGJIN NEW ENERGY DEVELOPMENT CO LTD | 2,500,000 | 17.08 |
| 10 BOLIVIANOS PTY LTD | 1,834,418 | 12.53 |
| MJMD SUPER PTY LTD <MARK JM DITCHFIELD S/F A/C> | 1,400,000 | 9.56 |
| SOUTHEAST MINGQING SUPPLY CHAIN (FUYANG) CO LTD | 937,500 | 6.40 |
| MR MARK JOHN MICHAEL DITCHFIELD | 700,000 | 4.78 |
| GREEN MOUNTAINS INVESTMENTS LTD | 518,750 | 3.54 |
| FINCLEAR PTY LTD <SUPERHERO SECURITIES A/C> | 518,154 | 3.54 |
| MR NHAN HUU NGUYEN | 508,154 | 3.47 |
| MR CON CARYDIAS | 500,000 | 3.42 |
| PUJARA SUPERANNUATION FUND PTY LTD <PUJARA SF A/C> | 406,912 | 2.78 |
| MR STEVEN TAMBANIS | 375,000 | 2.56 |
| MR BRENT DAVID COXON <SOKAN DISC A/C> | 260,000 | 1.78 |
| CERTANE CT PTY LTD <RICHLINK HIGH-TECH INVEST> | 250,000 | 1.71 |
| GURTAN PTY LTD | 250,000 | 1.71 |
| TANJELO INVESTMENTS PTY LTD <TANJELO SF A/C> | 233,975 | 1.60 |
| PAUL B RYAN PTY LTD <RYAN PROPERTY A/C> | 225,000 | 1.54 |
| MR ALEXANDER LEWIT | 224,464 | 1.53 |
| MR GEORGE CHARLES THOMPSON | 206,250 | 1.41 |
| PAMPLONA CAPITAL PTY LTD | 175,000 | 1.20 |
| MR ANTHONY JAMES GORMAN | 169,800 | 1.16 |
| | 12,193,377 | 83.30 |

Unquoted equity securities

The company has 13,169,904 unlisted options on issue at 27 March 2025 as detailed below:

| Holder | Number | Exercise price ⁴ | Expiry |
|---|-----------|-----------------------------|-----------------|
| Rights issue and brokers ¹ | 3,669,904 | \$0.15 | 31 August 2025 |
| Phillip Thomas | 1,500,000 | \$0.27 | 5 October 2025 |
| Lesuer Pty Ltd PMB Super Fund A/C> | 1,000,000 | \$0.27 | 10 October 2025 |
| Gino D'Anna <The Internatzionale A/C> | 1,000,000 | \$0.27 | 10 October 2025 |
| Vivienne Anthon | 1,000,000 | \$0.27 | 10 October 2025 |
| Pamplona Capital Pty Ltd | 2,000,000 | \$0.27 | 24 March 2026 |
| Employee incentive scheme participants ² | 3,000,000 | \$0.18 | 31 August 2026 |
| Performance rights ³ | | | |

¹ Held by 16 holders in total: 1,500,000 options-10 Bolivianos Pty Ltd, 1,500,000 options- K-Sum Capital Pty Ltd. 0-1,000 options 6 holders 0.04% | 1,001-5,000 options 3 holders 0.12% | 5,001-10,000 options 2 holders 0.52% | 10,001-100,000 options 1 holder 2.38% | above 100,000 options 4 holders 96.92%.

² Held by 3 employees / consultants with 1,000,000 options each.

³ Issue under an employee incentive scheme.

⁴ 100% of all other unquoted securities are above 100,000 securities.

Substantial holders

Substantial holders in the company are set out below:

| | Ordinary shares | |
|---|-----------------|--------------------------|
| | Number held | % of total shares issued |
| Jose Manzano | 45,377,053 | 38.00 |
| 10 Bolivianos Pty Ltd, Freedom Trader Pty Ltd and Niv Dagan | 15,525,572 | 13.00 |
| Magnus Capital S.A. | 12,500,000 | 10.47 |
| Fuyang Mingjin New Energy development Co Ltd | 10,000,000 | 8.37 |

Patagonia Lithium Ltd
Shareholder information
31 December 2024

Voting rights

The voting rights attached to the company's securities are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options and performance rights

No voting rights.

There are no other classes of equity securities.

Other information

There is no current on-market buy-back.

The entity has used its cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

Tenements

| Name | Location - Argentina | File No | Area Has |
|------------|----------------------|------------|----------|
| Formentera | Jujuy province | 518 P2016 | 1,752 |
| Cilon | Jujuy Province | 121 I 1993 | 199 |
| Tomas III | Salta Province | 24142 | 591 |

Location - Brazil

| ID | CONCESSION | TITLE HOLDER | AREA (ha) | PHASE | DISTRICT | STATE |
|----|--------------|---------------------------|-----------|----------|-----------------------------------|-------|
| 1 | 830151/2024 | PI3 Brazil Mineracao Ltda | 1.949,67 | Granted | Ponto Dos Volantes, Monte Formoso | MG |
| 2 | 830152/2024 | PI3 Brazil Mineracao Ltda | 1.955,16 | Granted | Monte Formoso | MG |
| 3 | 830153/2024 | PI3 Brazil Mineracao Ltda | 729,53 | Granted | Monte Formoso | MG |
| 4 | 830154/2024 | PI3 Brazil Mineracao Ltda | 1.981,26 | Granted* | Monte Formoso | MG |
| 5 | 830155/2024 | PI3 Brazil Mineracao Ltda | 1.986,53 | Granted | Joáima, Monte Formoso | MG |
| 6 | 830156/2024 | PI3 Brazil Mineracao Ltda | 1.602,09 | Granted | Monte Formoso | MG |
| 7 | 830157/2024 | PI3 Brazil Mineracao Ltda | 1.957,42 | Granted | Monte Formoso | MG |
| 8 | 830167/2024 | PI3 Brazil Mineracao Ltda | 606,89 | Granted | Simonésia | MG |
| 9 | 830169/2024 | PI3 Brazil Mineracao Ltda | 1.455,07 | Granted | Santana Do Manhuaçu | MG |
| 10 | 830170/2024 | PI3 Brazil Mineracao Ltda | 933,64 | Granted | Santana Do Manhuaçu | MG |
| 11 | 830171/2024 | PI3 Brazil Mineracao Ltda | 1.934,15 | Granted | Teófilo Otoni | MG |
| 12 | 830172/2024 | PI3 Brazil Mineracao Ltda | 1.780,24 | Granted | Teófilo Otoni | MG |
| 13 | 830173/2024 | PI3 Brazil Mineracao Ltda | 1.878,62 | Granted | Teófilo Otoni | MG |
| 14 | 830174/2024 | PI3 Brazil Mineracao Ltda | 1.971,27 | Granted | Teófilo Otoni | MG |
| 15 | 830176/2024 | PI3 Brazil Mineracao Ltda | 1.636,94 | Granted | Teófilo Otoni | MG |
| 16 | 830177/2024 | PI3 Brazil Mineracao Ltda | 1.087,78 | Granted | Teófilo Otoni | MG |
| 17 | 830178/2024 | PI3 Brazil Mineracao Ltda | 1.739,15 | Granted | Água Boa | MG |
| 18 | 830179/2024 | PI3 Brazil Mineracao Ltda | 1.913,61 | Granted | Água Boa | MG |
| 19 | 830.192/2024 | PI3 Brazil Mineracao Ltda | 1.910,28 | Granted | Água Boa | MG |
| 20 | 830.193/2024 | PI3 Brazil Mineracao Ltda | 1.910,28 | Granted | Água Boa | MG |
| 21 | 830.194/2024 | PI3 Brazil Mineracao Ltda | 1.916,94 | Granted | Água Boa | MG |
| 22 | 830.195/2024 | PI3 Brazil Mineracao Ltda | 1.684,16 | Granted | Água Boa | MG |
| 23 | 830.196/2024 | PI3 Brazil Mineracao Ltda | 1.963,49 | Granted | Água Boa | MG |
| 24 | 860.164/2024 | PI3 Brazil Mineracao Ltda | 1.997,03 | Granted | Catalão e Ouvidor | GO |
| 25 | 860.165/2024 | PI3 Brazil Mineracao Ltda | 1.265,20 | Granted | Catalão e Ouvidor | GO |

Competent person

The Company confirms it is not aware of any new information or data that materially affects the information in this announcement from previous announcements listed below and that all material assumptions and technical parameters underpinning the MRE continue to apply and have not materially changed. The MRE announced on 22 January 2025 is entirely in the Inferred Mineral Resource category. 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 announcement.

| | |
|--|-------------------|
| Sampling at Formentera and Cilon Assays 1,122ppm Lithium | 2 June 2023 |
| MT Geophysics Defines Significant Prospective Drill Targets | 15 June 2023 |
| Geophysics Generates Significant Prospective Drill Targets | 4 July 2023 |
| 92% Lithium Extraction from Formentera Brines | 12 September 2023 |
| 99.9% Lithium Carbonate Produced from Formentera Brines | 16 October 2023 |
| Completion of First Hole at Formentera Lithium Project | 5 April 2024 |
| Completion of First Hole at the Formentera Lithium Project | 16 April 2024 |
| Successful Pump Test at Maiden Formentera Project Well | 24 April 2024 |
| Outstanding Assay Results from First Drilling in Argentina | 3 May 2024 |
| Assay Results from Drilling in Argentina | 15 May 2024 |
| Second Well at Formentera Completed | 29 May 2024 |
| Exceptional Results Achieved from Well Two at Formentera | 18 June 2024 |
| Strong Brine Flow - Well Three Formentera Lithium Project | 14 August 2024 |
| Strong Results Achieved from Well Three at Formentera | 11 September 2024 |
| High Porosity Results Achieved from Well Two at Formentera | 16 September 2024 |
| Outstanding Result Achieved from Well Three Pump Test | 18 September 2024 |
| Well 3 Cores Sent for Porosity Testing | 19 September 2024 |
| Well Four Completed at Formentera | 17 October 2024 |
| Outstanding Results from Well 4 Pump Test | 18 November 2024 |
| Excellent Result achieved from Well Three Porosity Core Test | 3 December 2024 |
| Outstanding Borehole Porosity Test Results at Formentera | 5 December 2024 |
| Outstanding Porosity Result from Well 4 Pump Test | 18 December 2024 |
| Significant Maiden JORC Inferred MRE | 22 January 2025 |

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