



A.C.N. 647 135 108



PROSPECTUS

For an Offer of 45 million Shares at an issue price of \$0.20 per Share to raise \$9,000,000 (before costs of the Offer).

The Offer contained in this Prospectus comprises a pro-rata Priority Offer to eligible Strike Resources Limited (ASX:SRK) shareholders and a Public Offer.

The Offer is fully underwritten.



LEAD MANAGER AND UNDERWRITER



LEGAL ADVISER

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. The Shares offered by this Prospectus should be considered highly speculative.

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ENQUIRIES IN RELATION TO THE OFFER

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, lawyer, accountant or independent financial adviser.

This Prospectus is dated 30 March 2021.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

William M. Johnson	Executive Chairman
Peter C. Smith	Executive Director
Farooq Khan	Executive Director

COMPANY SECRETARY

Victor P.H. Ho
Email: cosec@lithiumenergy.com.au

REGISTERED AND PRINCIPAL OFFICE

Level 2
31 Ventnor Avenue
West Perth, Western Australia 6005
Telephone: (08) 9214 9737
Facsimile: (08) 9214 9701
Email: info@lithiumenergy.com.au
Website: www.lithiumenergy.com.au

AUDITOR

Rothsay Auditing
Level 1, Lincoln House
4 Ventnor Avenue,
West Perth, Western Australia 6005
Telephone: (09) 9486 7094
Website: www.rothsay.com.au

LAWYERS (AUSTRALIA) SOLICITORS TENEMENT REPORT (AUSTRALIA)

Squire Patton Boggs
Level 21
300 Murray Street,
Perth, Western Australia 6000
Telephone: (08) 9429 7444
Facsimile: (08) 9429 7666
Website: www.squirepattonboggs.com

INDEPENDENT TECHNICAL ASSESSMENT REPORT

Malcolm Castle
B.Sc. (Hons), GCertAppFin (Sec Inst), MAusIMM
Agricola Mining Consultants Pty Ltd
26 Waverly Street
South Perth, Western Australia 6151
Telephone: 0412 347 511
Website: www.agricolaconsult.com

LEAD MANAGER AND UNDERWRITER

Canaccord Genuity (Australia) Limited
Level 15, 333 Collins Street
Melbourne, Victoria 3000
Telephone: (03) 8688 9100
Facsimile: (03) 8688 9155
Website: www.canaccordgenuity.com

SHARE REGISTRY

Advanced Share Registry
Main Office
110 Stirling Highway
Nedlands, Western Australia 6009

Local Telephone: 1300 113 258
Telephone: (08) 9389 8033
Facsimile: (08) 6370 4203
Email: admin@advancedshare.com.au
Investor Website: www.advancedshare.com.au

Sydney Office
Suite 8H, 325 Pitt Street
Sydney, New South Wales 2000
Telephone: (02) 8096 3502

STOCK EXCHANGE

Australian Securities Exchange (ASX)

Proposed ASX Code: LEL

LAWYERS (ARGENTINA) ARGENTINIAN LEGAL REPORT

Saravia Frias
Arenales 1954, Planta Baja (C1124AAD)
Buenos Aires, Argentina
Telephone/Facsimile: +54 11 4328 4121
Email: contacto@saraviarifrias.com
Website: www.saraviarifrias.com

INVESTIGATING ACCOUNTANT'S REPORT

Rothsay Auditing
Level 1, Lincoln House
4 Ventnor Avenue,
West Perth, Western Australia 6005
Telephone: (09) 9486 7094
Website: www.rothsay.com.au

IMPORTANT NOTICE

This Prospectus is dated 30 March 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application will be made within 7 days after the date of this Prospectus for permission for the Shares offered by this Prospectus to be listed for Quotation.

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

Neither the Company nor any other person warrants or guarantees the success or future performance of the Company or the returns (if any) to be received by Shareholders (including with respect to the return of capital, payment of dividends or the future value of the Shares). The Company carries on mineral exploration and development activities. Given the speculative nature of mineral exploration, development and production, there are significant uncertainties associated with forecasting exploration success and potential future revenue. On this basis, the Directors believe that reliable forecasts cannot be prepared and accordingly have not included forecasts of future revenue, profit or cash flow in this Prospectus.

Although the Company has issued this Prospectus in accordance with the provisions of the Corporations Act applicable to prospectuses, the Company specifically notes that the Offer does not take account of your specific investment needs or objectives. The Company urges you to read this Prospectus in its entirety before making an application for Shares. In particular the Company draws your attention to those matters identified by the Company as representing risks to the Company (as set out in Section 2D and Section 12).

In the context of your personal requirements and the risk factors, the Company recommends that you read this Prospectus in its entirety and seek professional advice where necessary from your stockbroker, lawyer, accountant or independent financial adviser prior to making any decision to apply for Shares. The Shares the subject of this Prospectus should be considered highly speculative.

Exposure Period

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement of the Prospectus with the ASIC. This period may be extended by the ASIC for a further period of up to 7 days pursuant to Section 727(3) of the Corporations Act.

The purpose of this Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds, which examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

No offering where offering would be illegal

Any person accessing this Prospectus for the purpose of making an investment in the Company must be an Australian or New Zealand resident and must only access the Prospectus from within Australia or New Zealand. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The Offer is limited to parties that are resident in Australia and New Zealand and this Prospectus does not constitute an offer in any jurisdiction other than Australia or New Zealand. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia or New Zealand. This Prospectus has been prepared for publication in Australia and New Zealand only. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by an Applicant that they are a resident of Australia or New Zealand.

The Company will not offer to sell, nor solicit an offer to purchase, any securities in any jurisdiction where such offer, sale or solicitation may be unlawful. Any failure to comply with these restrictions may constitute violation of applicable securities laws.

This Prospectus may not be released or distributed into the United States of America (the United States). This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to a 'US Person' as defined in Rule 902(k) of Regulation S of the US Securities Act (a **US Person**) under the United States Securities Act of 1933, as amended (**US Securities Act**). Any securities described in this Prospectus have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States or to US Persons except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the Share Registry's website: <https://www.advancedshare.com.au/IPO-Offers>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

IMPORTANT NOTICE

The Offer constituted by this Prospectus in electronic form is available only to persons within Australia and New Zealand receiving an electronic version of this Prospectus and the relevant Application Form within Australia and New Zealand. It is not available to persons in other jurisdictions.

Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If unsure about the completeness of this Prospectus received electronically, or a print copy of it, you should contact the Company. A hardcopy of this Prospectus will be available for Australia and New Zealand residents free of charge by contacting the Company by phone on (08) 9214 9737 during office hours or by emailing the Company at cosec@lithiumenergy.com.au.

Applications for Shares may only be made with respect to the Strike Priority Offer via the personalised electronic Application Form which accompanies the electronic version of this Prospectus or the electronic application process, both available from the Share Registry Investor Portal website at: www.advancedshare.com.au/Investor-Login, or with respect to the Public Offer, on either a printed copy of the Application Form attached to, or accompanying this Prospectus, or via the electronic application process available from the Share Registry website at: www.advancedshare.com.au/IPO-Offers. Full instructions on how to apply for Shares and how to complete the Application Forms (or apply electronically) for both the Strike Priority Offer and the Public Offer are outlined in Section 4.

If this Prospectus is found to be deficient, any Application may need to be dealt with in accordance with Section 724 of the Corporations Act. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Website Information

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 2D and Section 12.

Contract Summaries

Summaries of contracts detailed in this Prospectus are included for the information of potential investors but do not purport to be complete and are qualified by the text of the contracts themselves.

Cooling off Rights

Cooling off rights do not apply to an investment in Shares acquired under the Prospectus. This means that, in most circumstances, you cannot withdraw your application to acquire Shares under this Prospectus once it has been accepted.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions

Terms used in this Prospectus are defined in the Glossary in Section 18.

Currency

All amounts are in Australian dollars unless otherwise specified.

This Prospectus contains important information and should be read in its entirety.

CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Board of Directors of Lithium Energy Limited (**Lithium Energy or the Company**), I am pleased to introduce this Prospectus to you and invite you to become a Shareholder in the Company.

This Prospectus consists of the Strike Priority Offer and a Public Offer. Under the Strike Priority Offer, Eligible Strike Shareholders (holding Strike shares as at the Record Date of 5.00 pm (Perth time) on 22 March 2021) will have a priority entitlement to apply for Shares based on their pro-rata shareholding in Strike as at the Record Date. Any Shortfall in Applications lodged by Eligible Strike Shareholders under the Strike Priority Offer will be made available to members of the public under the Public Offer. The Offer is fully underwritten by Canaccord Genuity (Australia) Limited.

An investment in the Company offers investors the opportunity to participate in the exploration and potential development of a portfolio of exciting battery mineral assets being Lithium and Graphite Projects in Argentina and Australia.

The principal focus of the Company will be to fund the exploration and potential development of the Company's flagship Solaroz Lithium Project in Argentina.

The Solaroz Lithium Project comprises 12,000 hectares of highly prospective lithium mineral tenements located within the Salar de Olaroz Basin in South America's "Lithium Triangle" in north-west Argentina. The Solaroz Lithium Project is directly adjacent to or principally surrounded by mineral Tenements held by Orocobre Limited (ASX/TSX:ORE) and Lithium Americas Corporation (TSX/NYSE:LAC).

The location of Solaroz is considered by the Company to be highly strategic and prospective for commercial quantities and concentrations of lithium-rich brine as the Company believes the aquifer which supplies the lithium-rich brine being extracted by Orocobre is likely to extend under the Company's Solaroz Tenements.

Lithium, which occurs both in a mineral form and in the brines found in salt lakes such as those comprising the Salar de Olaroz Basin, has a large range of traditional and high-tech uses both as a mineral and as a chemical compound. Key uses of lithium chemicals are in batteries, pharmaceuticals, greases and aluminum smelting.

In addition to its lithium assets, the Company owns the Burke Graphite Project located in Queensland which contains a high grade graphite deposit and presents the opportunity for the Company to participate in the anticipated growth in demand for graphite and graphite related products.

Further details about the Company's business objectives and its resource projects are contained in Section 3 (Company and Business Overview), Section 8 (Projects Overview) and Section 9 (Independent Technical Assessment Report).

This Prospectus seeks to raise \$9 million by the issue of 45 million Shares at \$0.20 per Share, before the costs of the Offer.

This Prospectus is issued for the purpose of supporting an application to list the Company on ASX and the proceeds of the Offer will be used to advance the commercial potential of the Company's resource projects, seek additional mineral opportunities, meet the expenses of the Offer and meet ongoing operational expenses of the Company. Investors should refer to Sections 2D and 12 for the risk factors associated with an investment in the Company. The Shares offered by this Prospectus should be considered highly speculative.

Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

I look forward to welcoming you as a Shareholder of the Company in an exciting new phase in the development of Lithium Energy Limited.

Yours Sincerely,



William Johnson
Executive Chairman

1. OFFER STATISTICS & KEY DATES

INDICATIVE KEY DATES

Lodgement of Prospectus with ASIC	30 March 2021
Exposure Period begins	30 March 2021
Record Date (under Strike Priority Offer)	5:00 pm (Perth time), 22 March 2021
Opening Date (Strike Priority Offer and Public Offer)	Wednesday, 7 April 2021
Closing Date (Strike Priority Offer)	5:00 pm (Perth time), Wednesday, 21 April 2021
Closing Date (Public Offer)	5:00 pm (Perth time), Thursday, 29 April 2021
Issue of new Shares under the Offer	Thursday, 6 May 2021
Despatch of Holding Statements	Thursday, 13 May 2021
Expected date for Quotation on ASX on a normal settlement basis	Monday, 24 May 2021

Notes:

- Certain relevant dates are indicative only and may change without notice.
- The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.
- The Company reserves the right to vary any and all of the above dates including extending the Closing Date or close the Offer early without prior notice.
- The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants.
- If the Offer is cancelled or withdrawn before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.
- Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

KEY OFFER DETAILS

Offer Price per Share	\$0.20
Shares to be issued under Offer	45,000,000
Total number of Shares on issue following the Offer	80,010,000
Gross Proceeds of the Offer	\$9,000,000

HOW TO INVEST

Applications for Shares can only be made by completing and submitting one or more of the Application Form(s) attached to or accompanying this Prospectus. Instructions on how to apply for Shares are set out in Section 4 (Details of the Offer) of this Prospectus and on the Application Forms.

2. INVESTMENT OVERVIEW

ITEM	SUMMARY	FURTHER INFORMATION
A. Company		
Who is the issuer of this Prospectus?	Lithium Energy Limited (Company or Lithium Energy) is currently a wholly-owned subsidiary of Strike Resources Limited (ASX:SRK) (Strike). The Company was incorporated to facilitate the spin-out of Strike's Lithium and Graphite assets via this Offer.	Section 4.1
Who is the Company and what does it do?	<p>The Company was incorporated as an unlisted public company limited by shares on 14 January 2021. The Company holds a 90% interest in the Solaroz Lithium Project (Argentina) and is entitled to acquire a further 23.5% interest in the Burke Graphite Project (Queensland) (to make it a 100% owner) via wholly owned subsidiaries of the Company.</p> <p>The Company holds its interest in the Solaroz Lithium Project through a wholly owned Australian subsidiary (being LEOPL) which in turn holds a 90% shareholding in an Argentinian subsidiary company (being Hananta) which has the right to acquire a 100% interest in the Solaroz Tenements upon completion of a series of staged milestone payments.</p> <p>The Company has an approximate 76.5% beneficial interest in the Burke Tenements, pursuant to the Burke Farm-In Agreement with Burke Minerals Pty Ltd (BMPL). BMPL is the registered holder of the Burke Tenements and the owner of the residual approximately 23.5% beneficial interest in the Burke Tenements. The Company, through a wholly owned subsidiary (being LEOPL), has entered into a Share Sale and Purchase Agreement to acquire all of the shares in BMPL conditional upon, amongst other matters, the completion of this Offer (the Burke SPA).</p> <p>Further information in respect of the agreements referred to above are in Section 15 (Material Contracts).</p>	Sections 4, 8, 15 and 17.1
What is the Company's interest in the Solaroz Lithium Project?	<p>The Solaroz Lithium Project comprises 8 exploitation mineral Tenements totalling approximately 12,000 hectares, located in the Jujuy Province in northern Argentina, approximately 230 kilometres north-west of the provincial capital city of Jujuy, which are currently being processed before the Administrative Mining Court of the Province of Jujuy (Solaroz Tenements). On 28 February 2019, Strike and LEOPL acquired an interest in the Solaroz Tenements pursuant to the Hananta Agreement.</p> <p>Further information in respect of the:</p> <ul style="list-style-type: none"> ▪ Solaroz Lithium Project are included in Section 8 (Projects Overview) and in the Independent Technical Assessment Report in Section 9; ▪ Solaroz Tenements are in the Argentinian Legal Report in Section 10; and ▪ the Hananta Agreement and Solaroz Purchase Agreement are included in Section 15 (Material Contracts). <p>The Solaroz Tenements are mineral concession applications awaiting grant. There is a risk that these applications will not be granted. The terms of grant and current status of the Solaroz Tenements and applicable Argentine law are outlined in Section 10 (Argentinian Legal Report).</p>	Sections 8.1, 8.2, 8.4, 9, 10, 15.1, 15.3, 15.4

2. INVESTMENT OVERVIEW

ITEM	SUMMARY	FURTHER INFORMATION
What is the Company's interest in the Burke Graphite Project?	<p>The Burke Graphite Project consists of 2 granted exploration permits for minerals totalling approximately 26 square kilometres in the Cloncurry region in North Central Queensland (Burke Tenements).</p> <p>On 6 September 2016, LEAOPL and BMPL entered into the Burke Farm-In Agreement, pursuant to which LEAOPL has earned an approximate 76.5% beneficial interest in the Burke Tenements.</p> <p>After the completion of the Burke SPA, through its wholly owned subsidiary LEAOPL, Lithium Energy will have a 100% legal and beneficial interest in the Burke Tenements.</p> <p>Further information in respect of the:</p> <ul style="list-style-type: none"> ▪ Burke Graphite Project are included in Section 8 (Projects Overview) and in the Independent Technical Assessment Report in Section 9; ▪ Burke Tenements are in the Solicitor's Tenement Report (Australia) in Section 11; and ▪ the Burke Farm-In Agreement and Burke SPA are included in Section 15 (Material Contracts). 	Sections 8.1, 8.3, 8.4, 9, 11, 15.2, 15.5, 15.6
B. Business Model		
What is the Company's business model?	<p>The Company is currently focussed on exploration, assessment and development activities in relation to its Projects. While the Company focuses on these activities, it will not generate revenue. If these activities are successful and the Company identifies mineral deposits that are commercially viable to develop and mine, it will develop these deposits and commence mining activities. Only then will the Company generate operating revenue.</p>	Section 3.2
What are the key business objectives of the Company?	<p>The Company aims to progressively transition from being a junior explorer to, subject to the results of exploration activities, technical studies and the availability of suitable funding, exploiting the value of its Projects by undertaking Project exploration, evaluation, assessment, development, construction and mining activities by:</p> <ul style="list-style-type: none"> ▪ conducting systematic exploration activities with the aim of discovering a mineral deposit; ▪ following discovery, delineating a JORC Code compliant mineral resource estimate on the mineral deposit; ▪ undertaking economic and technical evaluation and assessments in line with standard industry practice (for example completion of a scoping study, then a prefeasibility study followed by a definitive feasibility study); and ▪ undertaking Project development and ultimately, exploitation of relevant Projects through commencement of mining operations. <p>The principal focus of the Company is to advance its status from a Lithium exploration company to that of a Lithium carbonate producer through the commercial exploitation of its Solaroz Lithium Project in Argentina, if exploration success is achieved.</p> <p>Management's strategy and the purpose of this Offer is to provide the Company with funding to advance the exploration and commercial development of its Projects and in particular, the flagship Solaroz Lithium</p>	Sections 3.2, 8, 9

2. INVESTMENT OVERVIEW

ITEM	SUMMARY	FURTHER INFORMATION
	<p>Project. At the Solaroz Lithium Project, the Company proposes to undertake geotechnical work followed by drilling to test for the occurrence of commercial quantities and grades of lithium-rich saline brines.</p> <p>In addition, the Company proposes to advance its high grade JORC Inferred Mineral Resource of 6.3Mt at 16% Total Graphitic Carbon at the Burke Mining Tenement through further test work to determine and promote the suitability of such graphite as a component for Lithium based batteries. The Company also proposes to conduct exploration work at its early stage Corella Mining Tenement to test the quality, grade and extent of previously identified graphite mineralisation.</p>	
How does the Company generate revenue?	<p>Following completion of the Offer, the Company will seek to explore, evaluate, assess and, subject to the presence of economic mineral deposits, develop its Projects.</p> <p>At the date of this Prospectus, the Company has no operating revenue and is unlikely to generate any operating revenue unless and until one or more of its Projects are successfully developed.</p>	Section 3

C. Key Investment Benefits

What are the key benefits of an investment in the Company?	<p>The Directors are of the view that an investment in the Company provides the following non-exclusive list of benefits:</p> <ul style="list-style-type: none"> an investment provides investors with an opportunity to participate in the exploration potential of the Company's various battery minerals related Projects with a principal focus on the flagship Solaroz Lithium Project located within South America's 'Lithium Triangle' in north-western Argentina, which is considered prospective for lithium rich brine and the production of lithium carbonate; The Solaroz Lithium Project is located within the same Salar de Olaroz Basin as, and directly adjacent to, the Olaroz Lithium Facility (operated by Orocobre Limited (ASX/TSX:ORE) in a joint venture with Tokyo Stock Exchange listed Toyota Tsusho Corporation (TYO:8015)) producing lithium carbonate from lithium-rich brine extracted from bore fields drilled on the salar (salt lake). Lithium Americas Corporation (TSX/NYSE:LAC) also holds mineral Tenements around the Salar de Olaroz Basin. Lithium Energy considers the Solaroz Tenements to be highly strategic and prospective for containing commercial quantities and concentrations of lithium-rich brine. The Company believes that the aquifer which supplies the lithium-rich brine being extracted by Orocobre is likely to extend under the Solaroz Tenements; and the Company has a credible and experienced Board and management team with a track record of successful exploration, discovery and project funding to progress exploration and accelerate potential development of its various Projects and any additional projects it acquires in the future. 	Sections 3, 8, 9
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D. Key Risks

What are the key risks of an investment in the Company?	<p>The business activities, operations and assets of the Company, including those following the admission of the Company to the Official List, have the potential to influence the operating and financial performance of the</p>	Section 12
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2. INVESTMENT OVERVIEW

ITEM	SUMMARY	FURTHER INFORMATION
	<p>Company in the future. These risks can impact on the value of an investment in the Shares of the Company. This is particularly the case with a mineral exploration company such as Lithium Energy which by its nature relies on high risk activity to delineate commercial quantities of mineral deposits.</p> <p>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited. As such an investment in the Company should be considered highly speculative.</p> <p>Based on the information available, a non-exhaustive list of the key risk factors affecting the Company are as follows:</p> <p>(a) Investment in Argentina</p> <p>The Company holds its interest in the Solaroz Tenements through its 90% shareholding in an Argentine registered company, Hananta. This overseas company is subject to risks normally associated with the conduct of business in foreign countries. Risks pertaining to Argentina may include, among other things, earthquakes and severe weather conditions, labour disputes, corruption, uncertain political and economic environments, civil disturbances and crime, arbitrary changes in law or policies, opposition to mining from environmental or other non-governmental organisations or changes in political attitudes towards mining activities, infrastructure and increased financing costs.</p> <p>(b) Exploration Risk</p> <p>The Tenements held by the Company are at various stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration of the Company's Projects (from time to time) will result in the discovery of an economic resource or reserve in accordance with the JORC Code. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, local communities/native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The Company has prepared a summary of the exploration results on its Projects (where available) with all reasonable care from information available to the Company and from other sources such as Government geological databases and historic geological reports. Whilst the Company believes these sources provide a reasonably reliable picture, further work is required to investigate the completeness of data sets, investigate their validity and to compile and interpret these data sets fully as part of the ongoing exploration process. Exploration results</p>	

2. INVESTMENT OVERVIEW

ITEM	SUMMARY	FURTHER INFORMATION
	<p>presented may or may not be downgraded or upgraded as a result of this process.</p> <p>The success of the Company will also depend upon the Company being able to maintain title to the Tenements comprising its various Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful with respect to one or more of its Projects, this could lead to a diminution in the value of the relevant Project, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the Tenements.</p> <p>(c) Early Stage Exploration</p> <p>The results of future exploration may not reflect the Company's current understanding of the potential mineralisation at each of the Projects. Whilst the Company has internal technical resources and will engage independent experts to provide further geological and technical information, there is insufficient information at this point in time to establish whether further exploration will result in the determination of an economic mineral resource.</p> <p>(d) Resource Estimation</p> <p>The Company has provided a JORC Code (2012 Edition) compliant Mineral Resource Estimate for the Burke Graphite Project (Burke Mining Tenement). Such estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally made may alter significantly when new information or techniques become available.</p> <p>(e) Contract Risk</p> <p>The Company's interest in the Solaroz Lithium Project is held via a 90% shareholding interest in Hananta (through the Company's wholly-owned Australian subsidiary, LEOPL) pursuant to the Hananta Agreement. Hananta, in turn, has a right to acquire 100% ownership of the Solaroz Tenements from the Solaroz Owner pursuant to the Solaroz Purchase Agreement (via the completion of a series of staged payments).</p> <p>Details of the Hananta Agreement and Solaroz Purchase Agreement are outlined in Section 15 (Material Contracts). The Company's ownership of the Solaroz Tenements is subject to and dependant on the counterparties' adherence to the Hananta Agreement and Solaroz Purchase Agreement generally, and specifically to the Solaroz Owner transferring good legal title to the Solaroz Tenements to Hananta, upon Hananta completing its payment obligations to the Solaroz Owner.</p> <p>There is a risk that despite the Company causing Hananta to fulfill its obligations to the Solaroz Owner, the Solaroz Owner may fail to properly effect a legal transfer of his interest in the Solaroz Tenements to Hananta. In such circumstances, the Company will cause Hananta to rely on and assert its full legal rights under the Solaroz Purchase Agreement to protect its economic interest in the Solaroz Tenements.</p> <p>Applicants should also refer to the Argentinian Legal Report (in Section 10) for further details in relation to the Solaroz Tenements, Hananta, the Hananta Agreement and Solaroz Purchase Agreement.</p> <p>(f) Title Risks</p> <p>The Company's Tenements are subject to periodic renewal in accordance with applicable laws and regulations.</p>	

2. INVESTMENT OVERVIEW

ITEM	SUMMARY	FURTHER INFORMATION
	<p>There is no guarantee that current or future Tenements and/or applications for Tenements will be approved.</p> <p>The Solaroz Tenements are mineral concession applications awaiting grant. There is a risk that these applications will not be granted. The terms of grant and current status of the Solaroz Tenements and applicable Argentine law are outlined in Section 10 (Argentinian Legal Report).</p> <p>The renewal of the term of the Burke Tenements is subject to the discretion of the relevant Minister in the State of Queensland. Renewal conditions may include increased expenditure and work commitments and/or compulsory relinquishment of Tenement areas comprising the Burke Tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. The terms of grant and current status of the Burke Tenements and applicable Queensland law are outlined in Section 11 (Solicitor's Tenement Report (Australia)).</p> <p>Other than the risks set out in the paragraphs above, the Company considers the likelihood of tenure forfeiture in Australia to be low given the laws and regulations governing exploration in Queensland and the ongoing expenditure programme proposed by the Company.</p> <p>(g) Native Title and Aboriginal Cultural Heritage</p> <p>In relation to the Burke Tenements or Tenements in Australia that the Company may in the future apply for or acquire, there may be areas over which native title rights exist or are claimed by traditional owners. If native title rights do exist, the ability of the Company to gain access to the Tenements or to progress from the exploration phase to the development and mining phases of operations, may be adversely affected.</p> <p>The Company has a reasonable basis to believe that its current plans for exploration on the Burke Tenements will not likely breach its legislative obligations regarding native title and Aboriginal cultural heritage in the area.</p> <p>To the extent this current view changes once the Company's further exploration programme commences, particularly with respect to the Corella Mining Tenement which has had no prior drilling conducted on it, the Company intends to seek clearance to explore on relevant parts of the Burke Tenements by consulting and reaching agreement with the native title holders and by undertaking further Aboriginal cultural heritage and archaeological clearance surveys and if required other official processes.</p> <p>A risk exists that appropriate clearance may not be given to undertake the intended exploration and this may negatively impact that Project's continued development. However, the Company intends to maintain a strong consultative relationship with the traditional owners to ensure that clearances are obtained to permit appropriate exploration on terms acceptable to the Company and the traditional owners.</p> <p>The Directors will also closely monitor the potential effect of any native title claims or Aboriginal cultural heritage matters involving Australian Tenements in which the Company has or may have an interest.</p>	

2. INVESTMENT OVERVIEW

ITEM	SUMMARY	FURTHER INFORMATION
	<p>Please also refer to the Solicitor's Tenement Report (Australia) in Section 11 for further details.</p> <p>(h) Limited Operating History</p> <p>The Company was only recently incorporated (on 14 January 2021) and has no operating history and limited historical financial performance. The Company also has limited data available with respect to its Solaroz Lithium Project upon which Applicants can base their evaluation of the Company's business and prospects. As a result, the Company may not have sufficient data to address the risks frequently encountered by companies with a limited operating history, including the Company's ability to:</p> <ul style="list-style-type: none"> establish and develop the Solaroz Lithium Project; conduct profitable mining operations on its Projects; or anticipate and adapt to any changes in relation to government regulation, mergers and acquisitions involving Lithium Energy's competitors and other significant competitive and market dynamics. <p>The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of feasibility, which have a high level of inherent uncertainty.</p> <p>No assurance can be given that the Company will achieve commercial viability through the successful exploration and/ or mining of its various Projects. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.</p> <p>(i) Future Funding</p> <p>Future funding will be required by the Company to support the further exploration of its various Projects and, depending on the ultimate viability of the Solaroz Lithium Project, the milestone payments in respect of the acquisition of the Solaroz Tenements from the Solaroz Owner under the Solaroz Purchase Agreement (see Section 15.4 for more details). There can be no assurance that such funding will be available on satisfactory terms or at all. Inability to obtain funding will adversely affect the Company and may result in some or all of its Projects not proceeding or their scale and/or scope being altered or defaults in licences or permits or agreements occurring, which, if not remedied, could result in forfeiture of its Tenements.</p> <p>(j) Commodity Pricing and Technology Risk</p> <p>The commercial prospects of the Company (if exploration success is achieved) is dependent principally upon the demand for lithium and in particular lithium carbonate. This demand is mainly a function of the demand for lithium as a component of electrical batteries. Battery technology is a rapidly advancing field and there is a risk that the demand for this commodity may change as a result of technological changes in this sector. Such changes may reduce the demand and therefore the price of Lithium as a component of batteries which in turn will have significant impact upon the commercial prospects of the Company.</p> <p>(k) Exchange Risk</p> <p>The expenditure of the Company is and will be in Australian, United States and Argentine currencies, exposing the Company to fluctuations</p>	

2. INVESTMENT OVERVIEW

ITEM	SUMMARY	FURTHER INFORMATION
	<p>and volatility of the rates of exchange between the Australian dollar, United States dollar and Argentine peso as determined in international markets.</p> <p>(l) Pandemic and other Public Health Risks</p> <p>The ongoing COVID-19 pandemic and any other possible future outbreaks of viruses may have a significant adverse effect on the Company. The spread of such diseases amongst the Company's management, employees, contractors, suppliers and logistic networks, as well as any health related government imposed quarantine and isolation requirements, may reduce the Company's ability to operate and have detrimental financial implications.</p> <p>This risk is exacerbated by the fact that the Solaroz Lithium Project is located in Argentina with the Head Office of the Company located in Western Australia. Travel and other restrictions imposed on management, key employees and contractors travelling to and from Australia and Argentina together with any internal Argentine restrictions on site access to the Solaroz Lithium Project will have an impact on the operations of the Company.</p> <p>More broadly, the Company may be affected by the macroeconomic effects and ensuing financial volatility resulting from the COVID-19 pandemic and any other possible future outbreaks of viruses/disease. While the final effects of any pandemic are difficult to assess, it is possible that it will have a substantial negative effect on the economies where the Company operates in and could have an adverse effect on the Company's financial and operating position.</p> <p>(m) Reliance on Key Personnel</p> <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its Executive Directors, senior management and its other key personnel (both present and in the future). There can be no assurance given that there will be no detrimental impact on the Company if one or more of these persons cease to hold office or key employees cease their employment.</p> <p>(n) Restricted Securities Reducing Liquidity</p> <p>Subject to the Company being admitted to the Official List, certain Shares on issue (other than those issued under the Offer) will be classified by ASX as Restricted Securities and will be required to be held in escrow for up to 24 months from the date of Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.</p> <p>Additional key Risk Factors are disclosed at Section 12 (Risk Factors), which should be read together with this Section 2D.</p>	

E. Directors and Key Management Personnel

Who are the Directors?

The current Board of Directors of the Company comprise:

Section 13.1

- (a) William M. Johnson – Executive Chairman;
- (b) Peter C. Smith – Executive Director; and
- (c) Farooq Khan – Executive Director.

2. INVESTMENT OVERVIEW

ITEM	SUMMARY	FURTHER INFORMATION
Who are the other key management personnel?	The Company Secretary is Victor P.H. Ho. Other than the Directors and the Company Secretary, the Company does not have any other key management personnel.	Section 13.1
What are the Directors' interests in the Company?	<p>Peter Smith is a Director and Company Secretary of BMPL and one of the Burke Vendors (as to a 75% shareholding in BMPL). The Burke SPA was entered into by the Company and LEAOPL prior to Mr Smith's appointment as a Director of the Company on 18 March 2021. On completion of the Burke SPA, Mr Smith will be entitled to receive a total of 450,000 Shares (valued at \$90,000 at the Offer Price) in the Company.</p> <p>The Company is currently a wholly-owned subsidiary of Strike. Strike is also a counterparty to a number of agreements with the Company (set out in Section 15 (Material Contracts)). Farooq Khan is the Executive Chairman of Strike. William Johnson is the Managing Director of Strike. Victor Ho is an Executive Director and Company Secretary of Strike.</p> <p>Messrs Khan and Johnson are shareholders of Strike and are entitled to participate under the Strike Priority Offer and subscribe for Shares in the Company under the Offer.</p> <p>Each Director's interests in the Company and its securities are also set out in Sections 13.8 and 13.2 respectively.</p>	Section 13
F. Financial Information		
How has the Company performed over the past 12 months?	<p>The Company was only recently incorporated (on 14 January 2021) and has no operating history and limited historical financial performance.</p> <p>The Company acquired LEOPL and LEAOPL from Strike with effect on 31 January 2021.</p> <p>LEOPL holds the interest in the Solaroz Lithium Project since it was secured by the Hananta Agreement on 28 February 2019.</p> <p>LEAOPL holds the interest in the Burke Graphite Project since it was secured by the Burke Farm-In Agreement on 6 September 2016.</p> <p>The Company has prepared consolidated financial statements for the financial period from 14 January 2021 to 31 January 2021, which incorporates the acquisition of LEOPL and LEAOPL with effect on 31 January 2021, for the purposes of the Investigating Accountant's Report in Section 7. The Company is not in a position to disclose any key financial metrics other than its consolidated financial statements referred to above.</p> <p>Please also refer to Section 6 (Financial Aspects of the Offer) and Section 7 (Investigating Accountant's Report).</p>	Sections 6, 7
What is the financial outlook for the Company?	Given the current status of the Company's various Projects (which are at an exploration stage) and the speculative nature of mineral exploration, the Directors do not consider it appropriate to forecast future earnings for the Company. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast on a reasonable basis.	

2. INVESTMENT OVERVIEW

ITEM	SUMMARY	FURTHER INFORMATION
G. Offer		
What is being offered?	<p>The Offer is an offer of 45 million Shares at an Offer Price of \$0.20 per Share to raise up to \$9 million (before costs). The Offer comprises the Strike Priority Offer to Eligible Strike Shareholders (in respect of 100% of the Offer) and a Public Offer in respect of any Shortfall under the Strike Priority Offer.</p> <p>The Offer is fully underwritten by the Lead Manager and Underwriter, Canaccord.</p> <p>Eligible Strike Shareholders are those Strike shareholders with a registered address in Australia and New Zealand as at the Record Date (being 22 March 2021).</p> <p>Under the Strike Priority Offer, Eligible Strike Shareholders are entitled to subscribe for Shares under the Offer pro-rata to their shareholding in Strike as at the Record Date, subject to a Minimum Application of \$2,000 (10,000 Shares). Further details of the Strike Priority Offer are set out in Section 4.4.</p> <p>Eligible Strike Shareholders may apply for additional Shares under the Public Offer. Strike shareholders (who are not Eligible Strike Shareholders) may apply for Shares under the Public Offer.</p> <p>If Eligible Strike Shareholders do not take up their Maximum Entitlement under the Strike Priority Offer, the Directors will apply the Shortfall to Applications received under the Public Offer. Further details of the Public Offer are set out in Section 4.5.</p> <p>The Offer Period for the Public Offer will close five (5) Business Days after the close of the Strike Priority Offer. Indicative Opening and Closing Dates under the Offer are outlined in Section 1 (Offer Statistics and Key Dates).</p> <p>The purpose of the Offer is to facilitate an application by the Company for admission of the Company to the Official List of the ASX and to position the Company to seek to achieve the objectives stated at Section 2B (above) and as further outlined in Section 4 (Company and Business Overview).</p> <p>The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives.</p>	Section 4
What will the Company's capital structure look like after completion of the Offer?	<p>The Company's capital structure is set out in Section 5.1.</p> <p>This includes the current Share capital as at the date of the Prospectus and a pro-forma Share capital assuming the completion of the Issue.</p>	Section 5.1
What are the terms of the Shares offered under the Offer?	<p>The Shares on offer are fully-paid ordinary shares. A summary of the material rights and liabilities attaching to the Shares offered under the Offer is set out in Section 16.1</p>	Section 16.1
Will any of the Shares issued under the Offer be subject to escrow?	<p>Subject to the Company being admitted to the Official List, certain Shares on issue (but not Shares issued under the Offer) will be classified by ASX as Restricted Securities and will be required to be held in escrow for up to 24 months from the date of Quotation.</p>	Section 5.2

2. INVESTMENT OVERVIEW

ITEM	SUMMARY	FURTHER INFORMATION
Will the Shares issued under the Offer be quoted?	The Company will make an application to ASX for Quotation of all Shares to be issued under the Offer.	Section 4.11
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in Section 1 (Offer Statistics and Key Dates).	Section 1
What is the minimum investment size under the Offer?	Applications under the Offer must be for a Minimum Application of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$200 worth of Shares (1,000 Shares).	Sections 4.4, 4.5, 4.6
Who are the significant existing Shareholders of the Company and what will their interests be after completion of the Offer?	<p>The Company is currently a wholly-owned subsidiary of Strike. At the date of this Prospectus, Strike owns 100% of the issued Shares of the Company, being 34,410,000 Shares.</p> <p>Upon the completion of the Offer and the Burke SPA, the Company will have 80,010,000 Shares on issue and Strike's interest in the Company will dilute to 43.01%.</p> <p>The Directors note that the major shareholders of Strike will become major Shareholders of the Company if they take up their pro-rata entitlements under the Strike Priority Offer.</p>	Section 5.3
Are there any conditions to the Offer?	The Offer is unconditional.	

H. Use of proceeds

How will the proceeds of the Offer be used?	<p>The Offer proceeds will be used for:</p> <ul style="list-style-type: none"> (a) exploration, evaluation and assessment of the Company's Projects (refer Sections 8.4 and 9); (b) payment of cash consideration to the Solaroz Owner under the Solaroz Purchase Agreement (refer Section 15.4); (c) further new Projects generation particularly where it is accretive to the existing Projects; (d) corporate and administration costs; (e) expenses of the Issue (refer Section 6.2); and (f) general working capital. <p>Further details are set out in Section 6 (Financial Aspects of the Offer).</p>	Sections 6.1, 6.2, 8.4, 9, 15.4
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I. Additional information

Is the Offer Underwritten?	<p>The Offer is fully underwritten by the Lead Manager and Underwriter, Canaccord. The terms of Canaccord's Lead Manager's Mandate and Underwriting Agreement are outlined in Sections 15.7 and 15.8 (Material Contracts).</p> <p>The Company will pay the following remuneration to Canaccord (exclusive of GST):</p> <ul style="list-style-type: none"> (a) a management fee of \$30,000; 	Sections 4.9, 6.2, 15.7, 15.8
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2. INVESTMENT OVERVIEW

ITEM	SUMMARY	FURTHER INFORMATION
	<p>(b) a Lead Manager's fee of 2% of Gross Proceeds received under the Offer;</p> <p>(c) a capital raising fee of 4 % of Gross Proceeds received under the Offer; and</p> <p>(d) the issue of 4,000,000 Broker's Options, each to subscribe for a Share in the Company at an exercise price of \$0.30 on or before the third-anniversary of their date of issue (which will occur after the Company's admission to the Official List and Quotation of its securities) (refer Sections 15.7 and 16.2).</p> <p>The Company will reimburse Canaccord periodically (subject to receiving satisfactory evidence of such expense) reasonable out of pocket, travel and legal expenses (in the latter case capped at \$10,000) in connection with the performance by Canaccord of the Lead Manager's Mandate.</p>	
Is there any brokerage, commission or stamp duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the subscription of Shares under the Offer. The Company will pay remuneration to the Lead Manager and Underwriter as outlined above.	
What are the tax implications of investing in Shares?	The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.	Section 4.14
What are the corporate governance principles and policies of the Company?	<p>The Company has adopted the Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations) to the extent applicable, in light of the Company's size and nature of operations. The Company's main corporate governance policies and practices and its compliance with/explanation of departures from the Recommendations are outlined in Section 14 (Corporate Governance).</p> <p>The Company's Corporate Governance Statement and associated policies will also be made available from the Lithium Energy website: www.lithiumenergy.com.au</p>	Section 14
Where can I find more information?	<p>(a) By speaking to your stockbroker, lawyer, accountant or independent financial adviser.</p> <p>(b) By contacting the Company Secretary on (08) 9214 9737.</p> <p>(c) By contacting Advanced Share Registry on 1300 113 258 (Local), (08) 9389 8033 (Perth) or (02) 8096 3502 (Sydney).</p>	

This section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

3. COMPANY AND BUSINESS OVERVIEW

3.1 BACKGROUND

The Company is a public company limited by shares and was incorporated in Western Australia on 14 January 2021 as a wholly owned subsidiary of Strike Resources Limited to facilitate a spin-out of Strike's battery minerals (lithium and graphite) assets into a new ASX listed company and to raise additional capital to conduct exploration and development activities on those assets.

With effect on 31 January 2021, Strike entered into the Restructure Agreements with the Company and was issued additional Shares in the Company pursuant to those agreements. As a consequence of the Restructure Agreements, Strike's interest in the Solaroz Lithium Project (held by LEOPL) and Burke Graphite Project (held by LEAOPL) were transferred to the Company.

Strike has caused the Company to undertake the Offer and seek admission to the Official List to create a separate and distinct battery minerals company whose clear focus will be on the exploration and potential development of the lithium and graphite assets of Lithium Energy comprising the Solaroz Lithium Project and Burke Graphite Project.

3.2 VISION AND STRATEGY

Lithium Energy's vision is to create value for its Shareholders by conducting exploration and development activity across its various Projects as well as pursuing further acquisition opportunities in the battery minerals sector with an emphasis on lithium and graphite minerals.

Lithium Energy aims to progressively transition from being a junior explorer to, subject to the results of exploration activities, technical studies and the availability of suitable funding, exploiting the value of its Projects by undertaking Project exploration, evaluation, assessment, development, construction and mining activities as follows:

- conducting systematic exploration activities on the Projects with the aim of discovering a mineral deposit;
- following discovery, delineating a JORC Code compliant mineral resource estimate on the mineral deposit;
- undertaking economic and technical evaluation and assessments in line with standard industry practice, including, for example, completion of a scoping study, then a prefeasibility study followed by a definitive feasibility study; and
- undertaking Project development and ultimately, exploitation of relevant Projects through commencement of mining operations.

The primary focus of Lithium Energy will be to advance the Solaroz Lithium Project with the initial strategy being to conduct exploration activity to test for the occurrence of commercial grades and quantities of lithium rich saline brines.

The results of the exploration activity on the Solaroz Lithium Project will determine the economic viability and possible timing for the commencement of further work on the Project including upgrading the status of lithium mineralisation within the Project and if exploration success warrants, the conduct of pre-feasibility and feasibility studies on the commercial exploitation of minerals contained within such Project.

The ultimate aim of Lithium Energy is to advance its status from that of a Lithium exploration company to that of a Lithium carbonate producer through the commercial exploitation of the Solaroz Lithium Project.

In addition, Lithium Energy proposes to advance its high grade JORC Inferred Mineral Resource of 6.3Mt at 16% Total Graphitic Carbon at the Burke Graphite Project (contained in the Burke Tenement) through further test work to determine and promote the suitability of such graphite as a component for Lithium based batteries.

Lithium Energy also proposes to conduct exploration work at its early stage Corella Tenement to test the quality, grade and extent of graphite mineralisation identified from a ground Electro Magnetic (EM) survey previously undertaken.

Section 8.4 (Projects Overview) outlines a two year summary of the proposed use of funds raised pursuant to this Offer to advance the various Projects of Lithium Energy.

The Directors consider that following completion of the Issue, Lithium Energy will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in Lithium Energy is highly speculative and investors are encouraged to read the risk factors outlined in Section 2D and Section 12.

3.3 PROJECTS OVERVIEW

The overview of the Solaroz Lithium Project and Burke Graphite Project is contained in Section 8 (Projects Overview). The agreements which give rise to the interest of the Company in these Projects are summarised in Section 15 (Material Contracts). The Solaroz Tenements are mineral concession applications awaiting grant. There is a risk that these applications will not be granted. The terms of grant and current status of the Solaroz Tenements and applicable Argentine law are outlined in Section 10 (Argentinian Legal Report).

3. COMPANY AND BUSINESS OVERVIEW

The terms of grant and current status of the Burke Tenements and applicable Australian law are outlined in Section 11 (Solicitor's Tenement Report)

3.4 LITHIUM MARKET

A critical component of modern battery technology is lithium. With the advent and continuing development of electric vehicles and hybrid vehicles, coupled with a trend towards renewable energy technology, the battery demand, and resulting cost, for lithium has seen a marked increase in recent years.

Lithium resources are predominantly concentrated in a small number of countries, including Australia, Chile, China and Argentina. The five largest lithium producers control the majority of lithium supply (in excess of 90%) to the global lithium market and only a handful of companies control the majority of the mine output.

Lithium is produced from either brines or hard-rock sources. With the exception of China, each producing country currently supplies lithium from either one of these sources (and not both). South American countries such as Argentina, Chile and Bolivia produce lithium in only brine form and Australia produces only hard-rock.

It is estimated that the demand for lithium will grow from approximately 300,000 tonnes in 2020 to over 5,000,000 tonnes in 2040.

3.5 GRAPHITE MARKET

Graphite has a diverse and expanding applicability in the industrial and technology sectors. Graphite is commonly used in products such as brake pads, gaskets, seals, insulation, batteries, capacitors, solar cells, reactors and plastics. Graphite is lightweight, strong, conductive, heat resistant and corrosion resistant and as a result, its applicability in various industry sectors is wide reaching, including in steel, metals, aerospace and automotive, construction, paints, plastics, paper, agriculture and energy storage, among others.

Graphite has been an attractive investment asset over recent years, due to its part in the production of advanced technologies such as lithium-ion batteries and other energy storage devices. China is the world's largest graphite producer, and the Asia-Pacific market represents the largest region for graphite globally.

The global graphite market was valued at \$14.3 billion in 2019, and is expected to reach \$21.6 billion by 2027.

4. DETAILS OF THE OFFER

4.1 SHARES OFFERED

This Prospectus invites investors to apply for a total of up to 45,000,000 Shares at an Offer Price of \$0.20 per Share to raise up to \$9,000,000 (before costs of the Offer).

All Shares issued pursuant to this Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with the Shares already on issue.

The Offer consists of the Strike Priority Offer and the Public Offer (to the extent of any Shortfall arising from Applications received under the Strike Priority Offer).

4.2 OPENING AND CLOSING DATES

The Strike Priority Offer and Public Offer both open on 7 April 2021, or such later date as may be prescribed by ASIC (the **Opening Date**). The Strike Priority Offer will remain open until 5:00 pm (Perth time) on 21 April 2021 and will remain open for at least two (2) weeks. The Public Offer will remain open for a further period of five (5) Business Days from the close of the Strike Priority Offer, until 5:00pm (Perth time) on 29 April 2021. In each case, the Offer Periods will be subject to the right of the Company to either close the Issue at an earlier time and date (save for ensuring that the Strike Priority Offer remains open for a period no less than two (2) weeks) or to extend each closing time and date without prior notice (the **Closing Date**).

Applicants are encouraged to submit their Applications as early as possible.

No Shares will be issued on the basis of this Prospectus later than 13 (thirteen) months after the date of this Prospectus.

4.3 PURPOSE OF THE OFFER

The purpose of the Offer is to provide Lithium Energy with the necessary funds to enable it to:

- (a) meet the exploration, evaluation and assessment expenditure in relation to each of the Projects (refer Section 8.4 for further details);
- (b) meet the cash consideration payment obligations to the Solaroz Owner under the Solaroz Purchase Agreement (refer Sections 6.1 and 15.4 for further details);
- (c) advance the commercial prospects of the Projects;
- (d) seek additional Project opportunities in Australia and overseas;

- (e) meet all costs in relation to the Offer, including the remuneration of the Lead Manager and Underwriter, legal fees, the costs of experts' reports, ASIC lodgement and ASX listing fees, Share Registry processing costs and printing and mail-out costs; and
- (f) meet the ongoing corporate and administration operational expenses and working capital requirements of Lithium Energy.

Please refer to Sections 6.1, 6.2 and 8.4 for further information about the use of proceeds from the Issue.

4.4 STRIKE PRIORITY OFFER TO ELIGIBLE STRIKE SHAREHOLDERS

The Company is offering Eligible Strike Shareholders (holding Strike shares as at the Record Date of 5.00 pm (Perth time) on 22 March 2021) the opportunity to become Shareholders in the Company.

Under the Strike Priority Offer, Eligible Strike Shareholders have a priority entitlement to apply for Shares under the Offer based on their pro-rata shareholding in Strike as at the Record Date.

Any Shortfall in Applications lodged by Eligible Strike Shareholders under the Strike Priority Offer will form the number of Shares available under the Public Offer.

This Strike Priority Offer will operate as follows:

- (a) Each Eligible Strike Shareholder is entitled to apply for and be issued the Minimum Application (of 10,000 Shares to the value of \$2,000).
- (b) Subject to the entitlement to apply for the Minimum Application and the scale-back of Applications described in (d), each Eligible Strike Shareholder's maximum entitlement under the Strike Priority Offer is calculated pro-rata to their shareholding in Strike as at the Record Date (rounded to the nearest multiple of 1,000 Shares) (**Maximum Entitlement**).
- (c) Eligible Strike Shareholders may apply for Shares in excess of their Maximum Entitlement but the excess Shares applied for will be considered as an Application under the Public Offer and subject to the terms of the same outlined in Section 4.5 – there is no guarantee that Eligible Strike Shareholders applying for Shares in excess of their Maximum Entitlement will be issued such excess Shares applied for. The allocation of Shares under the Public Offer will be determined by the Underwriter in consultation with the Company.

4. DETAILS OF THE OFFER

- (d) If Applications received from Eligible Strike Shareholders are in excess of the number of Shares under the Issue, Applications received in excess of Eligible Strike Shareholders' Maximum Entitlement will be scaled-back on a pro-rata basis (relative to the number of Strike shares held as at the Record Date).

Eligible Strike Shareholders applying under the Strike Priority Offer must apply for the Minimum Application (of 10,000 Shares to the value of \$2,000) and thereafter in multiples of 1,000 Shares (valued at \$200).

The Company reserves the right to accept or reject Applications for less than 10,000 Shares or scale-back Applications to the nearest multiple of 1,000 Shares (subject to the Minimum Application).

The Directors of the Company who are Eligible Strike Shareholders reserve their right to participate in the Strike Priority Offer – refer Section 13.3.

The Directors have the right to make administrative determinations (at their discretion) in respect of (and to facilitate) the efficient and effective operation of the Strike Priority Offer, including but not limited to the rounding of fractional entitlements, the treatment of multiple/duplicate Strike shareholdings and receipt of Applications received in relation thereto and the treatment of Applications received from custodians and or nominees in respect of their beneficial holders.

4.5 PUBLIC OFFER

If all Eligible Strike Shareholders do not apply for their respective Maximum Entitlement under the Strike Priority Offer, there will be a Shortfall under the Offer. The Shortfall will form the balance of Shares available under the Public Offer.

Under the Public Offer, investors are invited to apply for Shares under this Prospectus. Applications lodged by Eligible Strike Shareholders in excess of their Maximum Entitlement under the Strike Priority Offer will be considered under the Public Offer (to the extent of the excess only).

Investors under the Public Offer must apply for the Minimum Application (of 10,000 Shares to the value of \$2,000) and thereafter in multiples of 1,000 Shares (valued at \$200). The Company reserves the right to accept or reject Applications for less than 10,000 Shares or scale-back Applications to the nearest multiple of 1,000 Shares.

The Company reserves the right to reject any Application (in whole or in part) or to allocate any investor fewer Shares than the number applied for, under the Public Offer. Further details are set out in Section 4.10.

The allocation of Shares under the Public Offer will be determined by the Underwriter in consultation with the Company.

4.6 APPLICATIONS

All Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of Lithium Energy and the rights attaching to the Shares offered by this Prospectus before deciding to apply for Shares. If you do not understand this Prospectus you should consult your stockbroker, lawyer, accountant or independent financial adviser in order to satisfy yourself as to the contents of this Prospectus. The Shares offered by this Prospectus are highly speculative in nature.

4.6.1 Applications under Strike Priority Offer

Each Eligible Strike Shareholder will be provided with a personalised Strike Priority Offer invitation containing details in relation to their registered holding, their Maximum Entitlement under the Strike Priority Offer and how to access the Application Form with respect to their entitlement. Those Eligible Strike Shareholders wishing to take up such entitlement must act in accordance with the instructions provided in that invitation.

As outlined in the personalised Strike Priority Offer invitation, an electronic copy of the personalised Application Form in respect of each Eligible Strike Shareholder containing details in relation to their registered holding and their Maximum Entitlement under the Strike Priority Offer (and accompanying Prospectus) may be accessed online via the Share Registry Investor Portal at: www.advancedshare.com.au/Investor-Login

Eligible Strike Shareholders will need their Holder Reference Number (either their Security Holder Reference Number (SRN) or Holder Identification Number (HIN)) pertaining to their Strike shareholding in order to log in to the Share Registry Investor Portal to access a copy of the Prospectus and their personalised Application Form.

If you are unable to access the Application Form (and a copy of the Prospectus) online, please contact the Company or the Share Registry for assistance or to make alternative arrangements.

To apply under the Strike Priority Offer, Eligible Strike Shareholders may:

- (a) submit an online Application in conjunction with paying the Application Monies via BPAY®; or
- (b) complete a hardcopy Application Form and submit it to the Share Registry with an accompanying cheque for the Application Monies, in accordance with the instructions on the Application Form.

4. DETAILS OF THE OFFER

As outlined in Section 4.4, Eligible Strike Shareholders may apply for Shares in excess of their Maximum Entitlement with the excess Shares applied for being considered as an Application under the Public Offer.

The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

By submitting an Application (as above), each Eligible Strike Shareholder Applicant declares that they were given access to this Prospectus in its entirety together with an Application Form. The Application, together with the payment of the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application.

Applications must be received by no later than 5.00 pm (Perth time) on the Strike Priority Offer Closing Date and it is each Eligible Strike Shareholder's responsibility to ensure that this occurs. Eligible Strike Shareholders who wish to apply for Shares under the Strike Priority Offer are encouraged to submit their Applications as early as possible after the Opening Date.

4.6.2 How to Apply Under the Public Offer

An electronic copy of this Prospectus (and accompanying Application Form) may be accessed online via the Share Registry website at: www.advancedshare.com.au/IPO-Offers

If you are unable to access a copy of this Prospectus (and accompanying Application Form) online, please contact the Company or the Share Registry for assistance or to make alternative arrangements.

To apply under the Public Offer, investors may:

- (a) submit an online Application in conjunction with paying the Application Monies via BPAY®; or
- (b) complete a hardcopy Application Form and submit it to the Share Registry with an accompanying cheque for the Application Monies,

in accordance with the instructions on the Application Form.

The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this prospectus.

By submitting an Application (as above), each Applicant declares that they were given access to this Prospectus in its entirety together with an Application Form. The Application, together with the payment of the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application.

Applications must be received by no later than 5.00 pm (Perth time) on the Public Offer Closing Date. As the Company may close the Issue at an earlier time and date, investors who wish to apply for Shares under the Public Offer are encouraged to submit their Applications as early as possible after the Opening Date.

4.6.3 Payment by BPAY®

BPAY® is available for electronic payment of Application Monies in conjunction with the submission of an online Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Applicants should follow the instructions on the relevant Application Form which accompanies this Prospectus.

As outlined in Sections 4.6.1 and 4.6.2, if you choose to pay your Application Monies via BPAY®, you are deemed to have submitted your Application online and you will be taken to have made the declarations on the electronic copy of the Application Form (in respect of both the Strike Priority Offer and Public Offer).

If you do not remit your Application Monies, via BPAY®, in full, you are deemed to have applied for such whole number of Shares which is covered by the Application Monies actually remitted.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00 pm (Perth time) on the applicable Closing Date. You should be aware of your financial institution's internal cut-off times in relation to the processing of BPAY® payments and you should therefore take this into consideration when making such payment in conjunction with the submission of an online Application Form.


4.6.4 Lodging Hardcopy Applications

The submission of a hardcopy Application Form must be accompanied by a cheque in Australian dollars, for the full amount of the Application Monies.

Cheques must be made payable to "Lithium Energy Limited – Offer A/C" and should be crossed "Not Negotiable".

4. DETAILS OF THE OFFER

Completed Application Forms and accompanying cheques must be received by the Share Registry by no later than 5.00 pm (Perth time) on the applicable Closing Dates:

 **By Mail:** Advanced Share Registry
PO Box 1156
Nedlands WA 6909

or



By Hand Delivery:

Advanced Share Registry at either:

- **Perth Office:** 110 Stirling Highway, Nedlands, Western Australia; or
- **Sydney Office:** Suite 8H, 325 Pitt Street, Sydney, New South Wales,

4.6.5 Miscellaneous Matters

An original, completed and lodged hardcopy Application Form, together with a cheque for the Application Monies, or in the case of an electronic Application, a BPAY® payment of the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the relevant Application Form.

The Application Form does not need to be signed to be a valid Application.

An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

If the relevant Application Form is not completed correctly, or if the accompanying payment of the Application Monies is for the wrong amount, it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque or BPAY® payment for the Application Monies received.

No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer.

The Company reserves the right to extend the Offer Period or close the Offer early without notice (save for ensuring that the Strike Priority Offer remains open for a period no less than two (2) weeks). Applicants wishing to apply for Shares under the Offer are therefore encouraged to submit their Applications as soon as possible after the Opening Date.

4.7 APPLICANTS OUTSIDE AUSTRALIA AND NEW ZEALAND

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction other than Australia and New Zealand. Both the Strike Priority Offer and the Public Offer is limited to parties that are resident in Australia and New Zealand, as evidenced, in the case of Eligible Strike Shareholders under the Strike Priority Offer, by those holders having a registered holding address in Australia and New Zealand.

4.8 APPLICATION MONIES HELD IN TRUST

All Application Monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or Application Monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

4.9 LEAD MANAGER AND UNDERWRITER

Canaccord has been appointed as Lead Manager and Underwriter to the Issue. The terms of the Lead Manager's Mandate and Underwriting Agreement are summarised in Sections 15.7 and 15.8.

The Offer is fully underwritten by Canaccord.

The Company will pay the following remuneration to Canaccord as the Lead Manager and Underwriter:

- (a) a management fee of \$30,000
- (b) a Lead Manager's fee of 2% of Gross Proceeds;
- (c) a capital raising fee of 4 % of Gross Proceeds; and
- (d) the issue of 4,000,000 Broker's Options, each to subscribe for a Share in the Company at an exercise price of \$0.30 on or before the third-anniversary of their date of issue (which will occur after the Company's admission to the Official List and Quotation of its securities),

(all exclusive of exclusive of GST) where Gross Proceeds means the sum of \$9,000,000 to be raised under the Offer.

The Company will reimburse Canaccord periodically (subject to receiving satisfactory evidence of such expense) reasonable out of pocket, travel and legal expenses (in the latter case capped at \$10,000) in connection with the performance by Canaccord of the Lead Manager's Mandate.

4. DETAILS OF THE OFFER

4.10 ISSUE AND ALLOCATION OF SHARES

Subject to the terms of the Strike Priority Offer, the Company reserves the right to reject any Application (in whole or in part) or to allocate any Applicant fewer Shares than the number applied for. The Company also reserves the right to reject or aggregate multiple applications in determining final allocations.

If an Application is not accepted, or is accepted in part only, the relevant part of the Application Monies will be refunded. Interest will not be paid on Application Monies refunded (without interest).

The Company reserves the right not to proceed with the Offer at any time before the allocation of the Shares to Applicants. If the Offer is cancelled, all Application Monies will be refunded.

4.11 ASX LISTING

Within 7 (seven) days after the date of this Prospectus, application will be made to the ASX for the Shares offered by this Prospectus to be admitted to Quotation.

If approval for Quotation is not granted by ASX in respect of the Shares offered by this Prospectus within 3 (three) months after the date of this Prospectus, the Company will not allot or issue any Shares pursuant to the Offer, and will repay all relevant Application Monies without interest as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Quotation of the Shares is not to be taken in any way as an indication of the merits of Lithium Energy or the Shares offered pursuant to this Prospectus.

4.12 ALLOTMENT OF SHARES

Subject to ASX granting approval for the Company's securities to be admitted to Quotation, the allotment of Shares to Applicants will occur as soon as possible after the Offer is closed, following which statements of Shareholdings will be dispatched. It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

Pending the issue of the Shares, or return of the Application Monies, the Application Monies will be held in trust for the Applicants.

4.13 VALUATION

No formal independent valuation has been undertaken as to the Company's interests in the Projects or as to the value of the Shares of the Company. The Directors regard the Company, its assets and prospects as highly speculative in nature.

4.14 TAXATION

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. It is not possible to provide a comprehensive summary of the possible taxation positions of all potential Applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

4.15 INVESTMENT RISKS

The business of the Company involves mining exploration and investment in Tenements and accordingly, investments in the Shares offered by this Prospectus should be considered highly speculative. The key risks associated with an investment in the Company are summarised in Section 2D and detailed in Section 12.

5. CAPITAL STRUCTURE

5.1 PRO-FORMA SHARE CAPITAL STRUCTURE

The pro-forma capital structure of the Company is set out below to reflect the issued Share capital structure of the Company assuming a number of factors, including the completion of the Burke SPA (refer Section 15.6), and the Shares issued pursuant to the Offer:

	Issue Price	Shares	Issued Capital (%)
Shares issued to Strike:			
On incorporation	\$0.25	10,000	
On completion of the LEOPL Restructure Agreement	\$0.20	31,400,000	
On completion of the LEAOPL Restructure Agreement	\$0.20	3,000,000	
Shares held by Strike as at date of Prospectus	\$0.20	34,410,000	43.01%
Shares Issued under this Prospectus	\$0.20	45,000,000	56.24%
Shares issued to Burke Vendors on completion of Burke SPA	\$0.20	600,000	0.75%
Total Shares		80,010,000	100%

The Company has the following Options on issue as at the date of this Prospectus:

	Exercise Price	Expiry Date	Number of Options
Executive Options	\$0.30	18 March 2024	10,000,000

Further details in relation to the Executive Options are in Section 13.5 (Board of Directors) and the terms of the Executive Options are set out in Section 16.3 (Rights Attached to Securities).

In addition, the Company will, upon completion of the Offer, issue 4,000,000 Broker's Options to Canaccord (or its nominee) as part of their remuneration as the Lead Manager and Underwriter, each to subscribe for a Share in the Company at an exercise price of \$0.30 on or before the third-anniversary of their date of issue. Further details in relation to the Broker's Options are Sections 15.12 (Material Contracts) and the terms of the Broker's Options are set out in Section 16.2 (Rights Attached to Securities).

5.2 ESCROW PROVISIONS

ASX may classify certain Shares issued pursuant to the Restructure Agreements and Burke SPA (as opposed to those Shares issued under the Offer) as being subject to the restricted securities provisions of the Listing Rules. If so classified, such Shares would be required to be held in escrow for a period determined by ASX and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX. It is likely that the whole or a significant part of the Shares issued to Strike under the Restructure Agreements and the Shares issued to the Burke Vendors under the Burke SPA will be treated as Restricted Securities with ASX to apply an escrow period of up to 24 months from the date of the Company's admission to the Official List and Quotation of its securities.

The Company will announce to the ASX full details (as to quantity and duration of the escrow period) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX. Restriction Agreements will be entered into between the Company and the holder of the relevant Restricted Securities in accordance with the Listing Rules.

5. CAPITAL STRUCTURE

A summary of the maximum number of securities likely to be subject to the restricted securities provisions of the Listing Rules are as follows:

Name of Holder	No. of Shares	No. of Options	Escrow Period
Strike Resources Limited	34,400,000	-	24 months
Azalea Family Holdings Pty Ltd (as trustee for the B and W Willesee Family Trust) (being a Burke Vendor)	150,000	-	24 months
Canaccord	-	4,000,000	24 months
William Johnson	-	2,850,000	24 months
Farooq Khan	-	2,850,000	24 months
Peter Smith	450,000	1,450,000	24 months
Victor Ho	-	2,850,000	24 months
Total	35,000,000	14,000,000	

5.3 SUBSTANTIAL SHAREHOLDERS

The Company will have the following Shareholder holding 5% or more of the total Shares on issue on completion of the Issue:

Shares held by Substantial Shareholder	Shares Held	Issued Capital (%)
Strike Resources Limited	34,410,000	43.01%

Strike will be required to lodge on ASX a 'substantial holder notice' in the Company pursuant to section 671B of the Corporations Act, upon the admission of the Company to the Official List.

The Company will announce to the ASX details of its top 20 Shareholders (following completion of the Issue) prior to Quotation.

The Company notes that Bentley Capital Limited (**Bentley**) is deemed to have a 'relevant interest' (as that term is defined in the Corporations Act) in Strike's Shareholding in the Company pursuant to section 608(3)(a) of the Corporations Act by reason of Bentley having a greater than 20% voting power (shareholding) in Strike. Bentley has a 21.265% shareholding interest in Strike as at the date of the Prospectus. As such, Bentley will also be required to lodge on ASX a 'substantial holder notice' in the Company pursuant to section 671B of the Corporations Act, upon the admission of the Company to the Official List.

Assuming major Eligible Strike Shareholders subscribe for their Maximum Entitlement under the Strike Priority Offer, the following Shareholders will hold 5% or more of the total Shares on issue on completion of the Issue:

Strike Major Shareholders	Strike Shareholding	% Strike Issued Capital	Strike Priority Offer Entitlement to LEL Shares	% LEL Issued Capital
Bentley Capital Limited	52,553,493	21.27%	9,569,321	11.96%
Windfel Properties Limited	25,825,000	10.45%	4,702,403	5.88%

As at the date of this Prospectus, neither Bentley nor Windfel Properties Limited have advised Strike and/or the Company of their intention to take up all or part of their respective entitlements under the Strike Priority Offer.

6. FINANCIAL ASPECTS OF THE OFFER

6.1 UTILISATION OF FUNDS

The funds raised from the completion of the Issue pursuant to this Prospectus will be applied as follows:

Pro-Forma Working Capital Position	Notes	\$
Application Monies received under the Offer		9,000,000
Existing net cash and receivables	1	-
Total net working capital		9,000,000
2 year Proposed Exploration and Evaluation Expenditure:		
Solaroz Lithium Project (Argentina)		4,565,000
Burke Graphite Project (Queensland)		670,000
	2	5,235,000
2 year Estimated Cash Consideration Payments to Solaroz Owner	3	1,750,000
Expenses of the Issue	4	765,000
Balance: Corporate Overheads/Working Capital		1,250,000
Total application of funds		9,000,000

Notes:

- (1) Assumed to be nil as negligible (as at 31 January 2021) – refer Section 7 (Investigating Accountant's Report).
- (2) Refer Section 8.4 (Summary of Indicative Exploration Expenditure).
- (3) US\$1,330,000 (at an exchange rate of A\$1.00:US\$0.76), to be paid in staged payments pursuant to Solaroz Purchase Agreement - refer Section 15.4 (Material Contracts). It is noted that Hananta may elect to terminate the Solaroz Purchase Agreement with no penalty (save for staged payments which have accrued in accordance with the relevant payment schedule).
- (4) Refer Section 6.2 (Expenses of the Issue).

The proposed exploration expenditure allocation will be refined according to results of the programmes as they develop, to meet working capital allocation priorities, and potentially for new Project generation. All exploration expenditure is subject to change, as they are of necessity highly dependent on results achieved. Further details of exploration expenditure programmes are set out in Section 8.4 (Projects Overview).

The Directors are of the opinion that on completion of the Issue, Lithium Energy will have sufficient working capital to carry out its objectives.

6.2 EXPENSES OF THE ISSUE

The total expenses of the Issue are anticipated to be as follows:

Item of Expenditure	Estimated Cost
ASIC and ASX fees	\$87,500
Expert Reports costs	\$45,000
Legal fees	\$50,000
Lead Manager and Underwriter's fees	\$570,000
Miscellaneous expenses	\$10,000
Total	\$765,000

The Lead Manager and Underwriter's fees are expected to be paid from the Gross Proceeds of the Offer - further details are outlined in Section 15.7 (Material Contracts).

The Company will meet the other expenses of the Issue from funds advanced by Strike pursuant to an IPO Funding Deed - further details are outlined in Section 15.10 (Material Contracts).

6. FINANCIAL ASPECTS OF THE OFFER

6.3 INVESTIGATING ACCOUNTANT'S REPORT

The consolidated financial report of Lithium Energy is contained in the Investigating Accountant's Report prepared by Rothsay Auditing (**Rothsay**) at Section 7.

The Company was incorporated in Australia on 14 January 2021 as a public company limited by shares.

The Company is currently a wholly-owned subsidiary of Strike.

The financial information in Section 7 incorporates the consolidated financial statements of the Company and its controlled entities (the **Consolidated Entity**), being:

- (a) LE Australian Operations Pty Ltd (incorporated in Australia) (LEAOPL), being a wholly-owned subsidiary of the Company, with effect on 31 January 2021;
- (b) LE Operations Pty Ltd (incorporated in Australia) (LEOPL), being a wholly-owned subsidiary of the Company, with effect on 31 January 2021; and
- (c) Hananta S.A. (incorporated in Argentina) (Hananta), in which LEOPL has a 90% shareholding, with effect on 31 December 2020.

LEAOPL intends to acquire all of the shares in Burke Minerals Pty Ltd (**BMPL**) pursuant to the Burke SPA in consideration of the issue of 600,000 Shares to the Burke Vendors (at an issue price of \$0.20), which is conditional upon, amongst other matters, the completion of the Issue and the admission of the Company to the Official List and Quotation of the Company's securities.

The financial information in Section 7 includes the consolidated financial statements of the Consolidated Entity and a pro-forma financial statement (which assumes the completion of the Issue and the Burke SPA) (**Pro-Forma**), as follows.

- (a) Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial period from the Company's incorporation on 14 January 2021 to 31 January 2021 (**financial period**);
- (b) Consolidated Statement of Financial Position as at 31 January 2021;
- (c) Consolidated Statement of Changes in Equity for the financial period ended 31 January 2021;
- (d) Consolidated Statement of Cash Flows for the financial period ended 31 January 2021;
- (e) Pro-Forma Consolidated Statements of Financial Position which assumes the completion of the Issue, the Burke SPA and the issue of the Broker's Options on 31 January 2021; and
- (f) Notes to the financial statements referred to above.



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsay.com.au

30 March 2021

The Directors
Lithium Energy Limited
Level 2
31 Ventnor Avenue
WEST PERTH WA 6005

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON LITHIUM ENERGY LIMITED HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

We have been engaged by Lithium Energy Limited and its controlled entities (“LEL” or “the Group”) to report on the historical financial information and pro forma historical financial information for the period ending 31 January 2021 for inclusion in the prospectus dated on or about 30 March 2021 relating to the issue of 45 million shares in LEL (at \$0.20 per share, raising \$9 million) and the subsequent listing on the Australian Securities Exchange (“the Prospectus”).

The IPO offer is fully underwritten by Canaccord Genuity (Australia) Limited (ABN 19 075 071 466).

The future prospects of LEL, other than the preparation of Pro Forma Historical Financial Information, assuming completion of the transactions summarised in Appendix B and C, are not addressed in this report.

SCOPE

Historical Financial Information

You have requested Rothsay Auditing to review the following historical financial information of the Group included in Annexures A and C:

- the Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 January 2021;
- the Statement of Financial Position as at 31 January 2021;
- the Statement of Changes in Equity for the period ended 31 January 2021;
- the Statement of Cash Flows of for the period ended 31 January 2021; and
- the notes to the above financial statements

(collectively referred to as “the Historical Financial Information”).

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Group’s adopted accounting policies. The historical financial information has been extracted from the financial report of the Group for the period ended 31 January 2021. The Historical Financial Information is presented in Annexures A and C in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.





Pro Forma Historical Financial Information

You have requested Rothsay Auditing to review the pro forma historical Statement of Financial Position as at 31 January 2021 (“the Pro Forma Historical Financial Information”).

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of LEL, after adjusting for the effects of pro forma adjustments described in Annexures B and C. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Annexures B and C, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Group’s actual or prospective financial position, financial performance and cash flows.

DIRECTORS’ RESPONSIBILITY

The directors of LEL are responsible for the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSIONS

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in Annexures A and C, and comprising:

- the Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 January 2021;
- the Statement of Financial Position as at 31 January 2021;
- the Statement of Changes in Equity for the period ended 31 January 2021;
- the Statement of Cash Flows for the period ended 31 January 2021; and
- the notes to the above financial statements;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Annexures A and C.

***Pro Forma Historical Financial Information***

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, being the Statement of Financial Position as at 31 January 2021, is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Annexures B and C.

RESTRICTION ON USE

Without modifying our conclusions, we draw attention to Section 6.3 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

CONSENT

Rothsay Auditing has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. Rothsay Auditing has not authorised the issue of the Prospectus. Accordingly, Rothsay Auditing makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

DECLARATION OF INTEREST

Rothsay Auditing does not have any interest that could be reasonably regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Rothsay Auditing will receive a professional fee for the preparation of this report.

Rothsay Auditing

Daniel Dalla
Partner

**Consolidated Statement of Profit or Loss and
Other Comprehensive Income
for the period ended 31 January 2021**

	31 Jan 21
	\$
Revenue	
Interest revenue	-
Other	
Other income	-
Total Revenue and Income	<u>-</u>
Expenses	
Exploration and evaluation expenses	-
Personnel expenses	-
Administration expenses	-
Profit before Income Tax	<u>-</u>
Income tax expense	-
Profit for the Period	<u><u>-</u></u>
Other Comprehensive Income	
Other Comprehensive Income, Net of Tax	-
Exchange differences on translation of foreign operations	-
Total Comprehensive Income for the Period	<u><u>-</u></u>

Note:

Lithium Energy Limited ACN 647 135 108 was incorporated on 14 January 2021. The Consolidated Statement of Profit or Loss and Other Comprehensive Income is in respect of the period from 14 January to 31 January 2021.

Consolidated Statement of Financial Position as at 31 January 2021

	Note	31 Jan 21
Current Assets		\$
Cash and cash equivalents	2	3,573
Receivables		61,006
Total Current Assets		<u>64,579</u>
Non-Current Assets		
Exploration and evaluation expenditure	3	6,941,807
Total Non-Current Assets		<u>6,941,807</u>
Total Assets		<u>7,006,386</u>
Current Liabilities		
Payables	4	123,886
Total Current Liabilities		<u>123,886</u>
Total Liabilities		<u>123,886</u>
Net Assets		<u>6,882,500</u>
Equity		
Issued capital	5	6,882,500
Reserves	6	-
Retained Earnings	7	-
Total Equity		<u>6,882,500</u>

The accompanying notes form part of this financial report

Consolidated Statement of Changes in Equity for the period ended 31 January 2021

	Note	Issued capital \$	Share- based payment \$	Retained earnings \$	Total \$
Balance at 1 July 2020		-	-	-	-
Profit for the period		-	-	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	-	-
Transactions with owners in their capacity as owners:					
Issue of shares	5				
- on incorporation		2,500	-	-	2,500
- as part consideration for acquisition of controlled entities		5,650,000	-	-	5,650,000
- on subscription		1,230,000			1,230,000
Balance at 31 January 2021		6,882,500	-	-	6,882,500

Note:

Lithium Energy Limited ACN 647 135 108 was incorporated on 14 January 2021. The Consolidated Statement of Changes in Equity is in respect of the period from 14 January to 31 January 2021.

The accompanying notes form part of this financial report

Consolidated Statement of Cash Flows for the period ended 31 January 2021

	Note	31 Jan 21 \$
Cash Flows from Operating Activities		
Payments to suppliers and employees		-
Net Cash used in Operating Activities		<u>-</u>
Cash Flows from Investing Activities		
Net cash flow arising from acquisition of assets		(1,226,427)
Net Cash used in Investing Activities		<u>(1,226,427)</u>
Cash Flows from Financing Activities		
Issue of shares	5	1,230,000
Net Cash Provided by Financing Activities		<u>1,230,000</u>
Net Decrease in Cash held		3,573
Cash and cash equivalents at beginning of incorporation		-
Cash and Cash Equivalents at end of the financial period	2	<u><u>3,573</u></u>

Note:

Lithium Energy Limited ACN 647 135 108 was incorporated on 14 January 2021. The Consolidated Statement of Cash Flows is in respect of the period from 14 January to 31 January 2021.

The accompanying notes form part of this financial report

Pro-Forma Consolidated Statements of Financial Position

	Note	Balance as at 31 Jan 2021	Pro-Forma Adjustments	Pro-Forma Balance
Current Assets			\$	\$
Cash and cash equivalents	2	3,573	9,005,092	9,008,665
Receivables		61,006	2,527	63,533
Total Current Assets		64,579	9,007,619	9,072,198
Non-Current Assets				
Exploration and evaluation expenditure	3	6,941,807	113,528	7,055,335
Total Non-Current Assets		6,941,807	113,528	7,055,335
Total Assets		7,006,386	9,121,147	16,127,533
Current Liabilities				
Payables	4	123,886	766,147	890,033
Total Current Liabilities		123,886	766,147	890,033
Total Liabilities		123,886	766,147	890,033
Net Assets		6,882,500	8,355,000	15,237,500
Equity				
Issued capital	5	6,882,500	8,134,266	15,016,766
Reserves	6	-	1,066,103	1,066,103
Accumulated losses	7	-	(845,369)	(845,369)
Total Equity		6,882,500	8,355,000	15,237,500

Pro-Forma Adjustments

The Pro-Forma Statement of Financial Position adopts the Consolidated Entity's Consolidated Statement of Financial Position as at 31 January 2021 with a Pro-Forma position based on the following assumptions and transactions:

- The issue of 45,000,000 shares at an price of \$0.20 each raising \$9,000,000 (gross) under the IPO.
- The completion of acquisition of Burke Minerals Pty Ltd (**BMPL**) in consideration of \$120,000 via the issue of 600,000 shares at \$0.20 each, which includes the recognition of BMPL as a controlled entity in the Consolidated Entity's Statement of Financial Position
- The Lead Manager and Underwriter's (cash) fees being posted to Issued capital and Current Payables.
- The Lead Manager and Underwriter's 4,000,000 Broker Options (\$0.30 exercise price, 3 year term), at fair value, being posted to Share-based Payments Reserve.
- 10,000,000 Executive Options (\$0.30 exercise price, 18 March 2024) issued on 19 March 2021, at fair value, being posted to Accumulated Losses and Share-based Payments Reserve.
- The balance of the estimated expenses of the IPO being posted to Current Payables and to Issued Capital or Accumulated Losses (based on the funds raised under the IPO).

The accompanying notes form part of this financial report

Notes to the Financial Statements

1. ABOUT THIS FINANCIAL REPORT

1.1 Background

Lithium Energy Limited ABN 94 647 135 108 is a company limited by shares incorporated in Australia on 14 January 2021 (the **Company** or **LEL**).

The Company is currently a wholly-owned subsidiary of Strike Resources Limited ABN 94 088 488 724 (ASX:SRK) (**Strike** or **SRK**),

The controlled entities of the Company are:

- (a) LE Australian Operations Pty Ltd ABN 73 119 438 265 (incorporated in Australia) (**LEAOPL**), being a wholly-owned subsidiary of the Company, with effect on 31 January 2021;
- (b) LE Operations Pty Ltd ABN 12 102 978 370 (incorporated in Australia) (**LEOPL**), being a wholly-owned subsidiary of the Company, with effect on 31 January 2021; and
- (c) Hananta S.A. (incorporated in Argentina) (**Hananta**), in which LEOPL has a 90% shareholding, with effect on 31 December 2020.

LEAOP has entered into a conditional Share Sale and Purchase Agreement (dated 11 March 2021) to acquire all of the shares in Burke Minerals Pty Ltd (ABN 52 166 886 826) (**BMPL**), which is subject to, amongst other matters, the completion of an initial public offering of 45,000,000 shares (at \$0.20 per share, raising \$9 million) (**IPO**) by the Company pursuant to a prospectus and the admission of the Company to the Official List of the Australian Securities Exchange (operated by ASX Limited) (**ASX**) and the quotation of the Company's securities on ASX (**Burke SPA**).

This financial report covers the consolidated financial statements of the Company and its controlled entities (the **Consolidated Entity** or **Lithium Energy**) and a pro-forma financial statement (which assumes the completion of the Company's IPO and the completion of the Burke SPA) (**Pro-Forma**), as follows.

- (a) The Consolidated Entity's Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial period from the Company's incorporation on 14 January 2021 to 31 January 2021 (**financial period**);
- (b) The Consolidated Entity's Consolidated Statement of Financial Position as at 31 January 2021;
- (c) The Consolidated Entity's Consolidated Statement of Changes in Equity for the financial period ended 31 January 2021;
- (d) The Consolidated Entity's Consolidated Statement of Cash Flows for the financial period ended 31 January 2021;
- (e) The Consolidated Entity's Pro Forma Consolidated Statements of Financial Position which assumes, inter alia, the completion of the IPO (raising \$9 million from the issue of 45 million shares) and the Burke SPA on 31 January 2021; and

- (f) Notes to the financial statements referred to above.

The financial report is presented in Australian dollars.

The Directors of the Company are responsible for the preparation of the financial report.

1.2 Basis of Preparation

These financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australia Accounting Interpretations. The Company is a for-profit entity for the purpose of preparing the financial statements.

Reporting Basis and Financial Statement Presentation

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Lithium Energy has the financial capacity to support the on-going operations of its controlled entities, which includes the Consolidated Entity.

The principal accounting policies adopted in the preparation of these financial statements have been consistently applied, unless otherwise stated.

1.3 Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company as at 31 January 2021 and the results of its controlled entities in respect of the financial period from the date of incorporation of the Company (on 14 January 2021) to 31 January 2021 (financial period or **reporting period**). The Company and its controlled entities are referred to in this financial report as the Consolidated Entity.

All inter-company balances and transactions between entities within the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- (a) Revenue from the sale of financial assets, goods or other assets is recognised when the Consolidated Entity has passed control of the financial assets, goods or other assets to the buyer.
- (b) Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

- (c) Dividend revenue is recognised when the right to receive a dividend has been established. The Consolidated Entity brings dividend revenue to account on the applicable ex-dividend entitlement date.
- (d) Other revenues are recognised on an accruals basis.

1.5 Income Tax

The income tax expense or revenue for the financial period is the tax payable on the period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and for unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's controlled entities operate and generate taxable income. Management will periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Management will make provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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. Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Profit or Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in Equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in Equity, respectively.

1.6 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1.7 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities in the Statement of Financial Position.

1.8 Receivables

AASB 9 (Financial Instruments) requires the Consolidated Entity to adopt an expected credit loss (ECL) position across the Consolidated Entity's financial assets. The Consolidated Entity's receivables balance comprises deposits and GST refunds from the Australian Tax Office.

At each reporting date, the Consolidated Entity reviews the carrying value of its financial assets based on the ECL model under AASB 9, which proposes three approaches in assessing impairment:

- (a) A simplified approach (which will be applied to most trade receivables), which requires the recognition of lifetime ECLs by considering forward-looking assumptions and information regarding expected future conditions affecting historical customer default rates;
- (b) A general approach (which will be applied to most loans and debt securities), whereby ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, the Consolidated Entity will provide for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance will arise for credit losses expected over the remaining life of exposure, irrespective of the timing of the default; and
- (c) For purchased or originated credit-impaired receivables, the fair value at initial recognition already takes into account lifetime expected losses. At each reporting date, the Consolidated Entity updates its estimated cash flows and adjusts the loss allowance accordingly.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates.

The Consolidated Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Consolidated Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Consolidated Entity has not recognised any additional impairment to its current receivables or non-current receivables as a result of the application of AASB 9. This is due to the fact that the Consolidated Entity does not consider that there are any further ECL to the current carrying values of its current receivables or its non-current receivables.

1.9 Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is initially capitalised in respect of each identifiable area of interest where the Consolidated Entity has right of tenure. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence or otherwise of economically-recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against Profit and Loss in the financial period in which the decision to abandon the area is made.

Under AASB 6 (Exploration for and Evaluation of Mineral Resources), if facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the Consolidated Entity must perform impairment tests on those assets and measure any impairment in accordance with AASB 136 (Impairment of Assets). Any impairment loss is to be recognised as an expense. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

1.10 Impairment of Assets

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. The difference between the asset's carrying value and its recoverable amount is expensed to Profit or Loss. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.11 Payables

Payables represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial period which are unpaid as at the reporting date. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. Payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1.12 Issued Capital

Ordinary shares are classified as equity. Fully paid ordinary shares carry one vote per share and the right to dividends.

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 (if any). Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

1.13 Shared based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with Directors and personnel by reference to the fair value of the equity instruments at the date at which they were granted. The fair value of options and performance rights are determined using a Black-Scholes options valuation model. The model uses assumptions and estimates as inputs.

The cost of other equity-settled transactions is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted. In the case of options issued, the fair value is determined using a Black-Scholes options valuation model with assumptions and estimates as inputs.

1.14 Coronavirus (COVID-19) pandemic

The Consolidated Entity has considered and exercised its judgement on the impact that the COVID-19 pandemic has had, or might have based on publicly available information. This consideration extends to the nature of the products, personnel, customers, supply chain, and geographic regions in which the entity operates.

Other than as identified in specific notes (if any), there does not seem to be either any significant uncertainties with respect to events or conditions or any significant impact upon the financial statements which may impact the Consolidated Entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

1.15 New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not mandatory have not been early adopted. These are not expected to have a material impact on the Consolidated Entity's financial statements.

	Balance as at 31 Jan 2021	Pro-Forma Balance
2. Cash and Cash Equivalents		
	\$	\$
Cash at bank	3,573	3,573
Pro-Forma Adjustments		
Proceeds from shares issued under IPO	-	9,000,000
Cash inflow from acquisition of asset	-	5,092
	<u>3,573</u>	<u>9,008,665</u>
3. Exploration and Evaluation Expenditure		
Exploration assets acquired (refer to (a))	6,941,807	6,941,807
Pro-Forma Adjustments		
Exploration assets acquired (refer to (b))	-	113,528
Closing balance	<u>6,941,807</u>	<u>7,055,335</u>

Critical accounting estimates and judgements

The Consolidated Entity has assessed the carrying amount of the exploration and evaluation in accordance with AASB 6 (Exploration for and Evaluation of Mineral Resources). The ultimate recoverability of deferred exploration and evaluation expenditure is dependent on the successful development or sale of the relevant area of interest.

(a) Acquisitions during current financial period

During the financial period, the Company acquired the following companies:

With effect on 31 January 2021, the Company acquired all of the shares in LE Australian Operations Pty Ltd ABN 73 119 438 265 (**LEAOPL**) from Strike Resources Limited (**Strike**) in consideration of \$600,000 cash, with Strike utilising the cash consideration to contemporaneously subscribe for 3,000,000 shares in the Company at an issue price of \$0.20.

With effect on 31 January 2021, the Company acquired all of the shares in LE Operations Pty Ltd ABN 12 102 978 370 (**LEOPL**) from Strike in consideration of:

- (i) the issue of 28,250,000 shares at an issue price of \$0.20 each (totalling \$5,650,000) and
- (ii) \$630,000 cash, with Strike utilising the cash consideration to contemporaneously subscribe for 3,150,000 shares in the Company at an issue price of \$0.20.

With effect on 31 December 2020, LEOPL capitalised a \$196,893 (US\$140,000) loan into a 90% shareholding in Hananta S.A. (Argentina) (**Hananta**), which became a controlled entity of LEOPL and is now considered to be part of the Consolidated Entity.

(b) Pro-Forma Adjustments

LEAOPL has entered into a Share Sale and Purchase Agreement to acquire all of the shares in Burke Minerals Pty Ltd (ABN 52 166 886 826) (**BMPL**) (subject to, amongst other matters, the completion of the IPO) in consideration of a total of \$120,000, to be satisfied by the issue of 600,000 shares to the vendors at an issue price of \$0.20 per share.

	Balance as at 31 Jan 2021	Pro-Forma Balance
4. Payables		
	\$	\$
Trade payables	123,886	123,886
Pro-Forma Adjustments		
Lead Manager and Underwriter's fees	-	570,000
Other expenses of IPO	-	195,000
Payables from acquisition of assets	-	1,147
	<u>123,886</u>	<u>890,033</u>
5. Issued Capital		
34,410,000 fully paid ordinary shares	6,882,500	6,882,500
Pro-Forma Adjustments		
Issue of 45,000,000 shares at \$0.20 each	-	9,000,000
Issue of 600,000 shares at \$0.20 each, on acquisition of BMPL	-	120,000
Lead Manager and Underwriter's fees	-	(570,000)
Fair value of Broker Options	-	(304,601)
Portion of other expenses of IPO	-	(111,133)
	<u>6,882,500</u>	<u>15,016,766</u>
6. Reserves		
Share-based payments reserve	-	-
Proforma Adjustments		
Share-based payments reserve	-	1,066,103
	<u>-</u>	<u>1,066,103</u>
Share-based payments reserve		
The fair value of options issued (net of consideration paid, if any) are posted to the Share-based payments reserve.		
(a) Executive Options: On 19 March 2021, a total of 10,000,000 Executive Options were issued to the Executive Directors and the Company Secretary - which entitles the holders to subscribe for shares in the Company at an exercise price of \$0.30 on or before 18 March 2024. The fair value of these options is calculated using an options valuation model, which assumes an underlying Company share price of \$0.20, a risk-free rate of 0.11% per annum (based on the 3 year Australian bond yield rate) and a volatility rate of 75% for the underlying shares in the Company.		
(b) Broker Options: The Lead Manager and Underwriter is entitled to receive 4,000,000 Broker Options, each to subscribe for shares in the Company at an exercise price of \$0.30 with a 3 year term. The fair value of these options is calculated using an options valuation model, which assumes an underlying Company share price of \$0.20, a risk-free rate of 0.11% per annum (based on the 3 year Australian bond yield rate) and a volatility rate of 75% for the underlying shares in the Company.		
7. Accumulated Losses		
	Balance as at 31 Jan 2021	Pro-Forma Balance
Retained Earnings	-	-
Pro-Forma Adjustments		
Fair value of Executive Options	-	761,502
Portion of other expenses of IPO	-	83,867
Accumulated Losses	<u>-</u>	<u>845,369</u>

8. Related Party Disclosures

There are no other related parties transactions during this financial period.

Pro-Forma

The Consolidated Entity (the Company and controlled entity, LE Australian Operations Pty Ltd (LEAOPL)) has entered into a conditional Share Sale and Purchase Agreement (dated 11 March 2021) to acquire all of the (100) shares in Burke Minerals Pty Ltd (BMPL) in consideration of a total of \$120,000, to be satisfied by the issue of 600,000 shares to the vendors at an issue price of \$0.20 per share (Burke SPA). The Burke SPA is subject to, amongst other matters, the completion of the Company's IPO and the admission of the Company to the Official List of ASX and the quotation of the Company's securities on ASX. Director, Mr Peter Smith, is a Director, Company Secretary and shareholder (as to 75%) of BMLPL and accordingly, is a vendor (a seller of BMPL shares) and party to the Burke SPA. The Burke SPA was entered into by the Company and LEAOPL prior to Mr Smith's appointment (on 18 March 2021) as a Director of the Company. On completion of the Burke SPA, Mr Smith will be entitled to receive a total 450,000 shares (valued at \$90,000 at the issue price of \$0.20) in the Company.

9. Commitments

Mining Tenements/Concessions - Annual Fees and Expenditure Commitments

(a) Australian Tenements

The Consolidated Entity is required to pay rates, rent and other annual fees to relevant Regulatory Authorities of the State (and Local) Government and meet minimum annual expenditure commitments (subject to successful applications for exemption in relation thereto) in order to maintain rights of tenure over its granted Australian mining tenements. The total amount of these commitments will depend upon the number and area of granted mining tenements held/retained, the length of time of each tenement held and whether and to what extent the Consolidated Entity has been successful in obtaining exemption(s) from meeting annual expenditure commitments.

(b) Argentinian Tenements

The Consolidated Entity is required to pay a licence and other annual fees to relevant Regulatory Authorities of the Argentine (and or regional/provincial) Government in respect of mineral concessions held in Argentina. The total amount of this commitment will depend upon, inter alia, the number and area of concessions held/retained and the length of time of each concession held.

10. Contingencies

(a) Directors' Deeds

The Consolidated Entity has entered into deeds of indemnity with the Directors and Company Secretary of Lithium Energy Limited, indemnifying them against liability incurred in discharging their duties as officers. As at the reporting date, no claims have been made under any such indemnities and, accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

(b) Australian Native Title

The Consolidated Entity's tenements in Australia are (or may in the future be) subject to native title rights of the traditional owners under the *Native Title Act 1993 (Cth)*. As at the reporting date, the Consolidated Entity has not entered into any native title related access and compensation agreements with any traditional owners and it is not possible to quantify the impact that native title may have on the operations of the Consolidated Entity in relation to these tenements.

(c) **Government Royalties**

The Consolidated Entity may be liable to pay royalties to Government on production obtained from its mineral tenements/concessions.

(d) **Deferred Payments Relating to Acquisition of Solaraz Lithium (Argentina)**

In March 2019, Strike Resources Limited (**Strike**) and the LE Operations Pty Ltd (**LEOPL**) entered into an agreement to acquire a 90% shareholding in Hananta S.A. (incorporated in Argentina) (**Hananta**) (**Hananta Agreement**). Hananta, in turn, has entered into an Option and Purchase Agreement (**Option Agreement**) with the registered legal and beneficial owner (**Owner**) of applications for exploitation concessions (totalling ~12,000 ha) currently being processed before the Administrative Mining Court of the Province of Jujuy (**Mining Properties**) which comprise the Solaroz Lithium Brine Project (**Solaroz**) located in northern Argentina.

With effect on 31 December 2020, LEOPL capitalised a \$196,893 (US\$140,000) loan into a 90% shareholding in Hananta.

On 22 March 2021, Strike assigned its rights, obligations and interests under the Hananta Agreement (with the consent of all other counterparties to the same) to Lithium Energy Limited.

Under the Option Agreement, Hananta will make a series of payments in cash and (at the election of Hananta, shares) over 4 years totaling US\$6,590,000 to the Owner according to the schedule below:

Hananta's Payments to the Owner	Cash US\$	Cash or Shares US\$	Total US\$
On execution of the Agreement (paid in April 2019)	140,000	-	140,000
6 months after the approval of the Environmental Impact Assessment (EIA) Report	120,000	-	120,000
12 months after EIA approval	330,000	-	330,000
18 months after EIA approval	880,000	750,000	1,630,000
30 months after EIA approval	1,180,000	1,000,000	2,180,000
42 months after EIA approval	1,190,000	1,000,000	2,190,000
Total	3,840,000	2,750,000	6,590,000

At the completion of the payments to the Owner, registered title to the Mining Properties will be transferred to Hananta. The Consolidated Entity can elect to terminate the Option Agreement with the Owner at any time, with no penalty. LEOPL will fund 100% of the development costs for Solaroz (including the abovementioned payments to the Owner) to the completion of a bankable feasibility study, with such funding to be provided as loans to Hananta, to be repaid to LEOPL as a priority prior to any distributions to shareholders of Hananta. Thereafter, Hanaq Argentina S.A. (**Hanaq**) (as the other 10% shareholder in Hananta) will contribute pro-rata or dilute. Hanaq can at any time elect to convert its holding in Hananta to a 1% Net Smelter Royalty.

In light of the above circumstances, the Consolidated Entity regards these future payment obligations as contingencies.

11. Events Occurring After the Reporting Period

No matter or circumstance has arisen since the end of the financial period that significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial periods.

8. PROJECTS OVERVIEW

8.1 BACKGROUND

Lithium Energy has interests in the following battery minerals Projects in Argentina and Australia:

Projects and Tenements			Ownership / Interest	Agreements and Further Information
Solaroz	Lithium	Project	100% - option to acquire held by Hananta	On 28 February 2019, Strike and LEOPL acquired an interest in the Solaroz Tenements pursuant to the Hananta Agreement.
(located in Argentina) comprising the (8) Solaroz Tenements:				Further information in respect of the:
(1)	Mario Angel – File N°1707-S-2011 (542.92ha)		90% held by LEOPL by virtue of its 90% ownership of Hananta	<ul style="list-style-type: none"> Solaroz Lithium Project are also included in the Independent Technical Assessment Report in Section 9; Solaroz Tenements are in the Argentinian Legal Report in Section 10; and the Hananta Agreement and Solaroz Purchase Agreement are included in Section 15 (Material Contracts).
(2)	Payo – File N°1514-M-2010 (987.62ha)			
(3)	Payo 1 – File N°1516-M-2010 (1973.24ha)			
(4)	Payo 2 – File N°1515-M-2010 (2192.63ha)			
(5)	Chico 1 – File N°1229-M-2009 (835.24ha)			
(6)	Chico V – File N°1312-M-2009 (1800ha)			
(7)	Chico VI – File N°1313-M-2009 (1400.18ha)			
(8)	Silvia Irene, File N°1706-S-2011 (2348.13ha)			
(currently being processed before the Administrative Mining Court of the Province of Jujuy)				
Burke	Graphite	Project	76.5% held by LEOPL	On 6 September 2016, LEOPL and BMPL entered into the Burke Farm-In Agreement, pursuant to which LEOPL has earned an approximately 76.5% beneficial interest in the Burke Tenements.
(located in Queensland, Australia) comprising the (2) Burke Tenements:				On 11 March 2021, the Company and LEOPL entered into the Burke SPA to acquire all of the shares in BMPL from the Burke Vendors.
(1)	EPM 25443 (Burke Mining Tenement) (6.58ha)		23.5% held by BMPL (with BMPL pending acquisition by LEOPL)	After the completion of the Burke SPA, Lithium Energy will have a 100% legal and beneficial interest in the Burke Tenements.
(2)	EPM 25696 (Corella Mining Tenement) (19.74ha)			Further information in respect of the:
				<ul style="list-style-type: none"> Burke Graphite Project are also included in the Independent Technical Assessment Report in Section 9; Burke Tenements are in the Solicitor's Tenement Report (Australia) in Section 11; and The Burke Farm-In Agreement and Burke SPA are included in Section 15 (Material Contracts).

8. PROJECTS OVERVIEW

8.2 SOLAROSZ LITHIUM PROJECT (ARGENTINA)

Project Location

The Solaros Lithium Project comprises the Solaros Tenements totalling approximately 12,000 hectares located in the Jujuy Province in northern Argentina, approximately 230 kilometres north-west of the provincial capital city of Jujuy and lie at an altitude of approximately 3,900 metres.

The Solaros Tenements are accessed by good quality road infrastructure. The Project's location is supported by favorable conditions in terms of both the operating environment and local infrastructure. Very limited rainfall combined with dry, windy conditions create a favourable environment for the brine-evaporation process. The area is also serviced by a gas pipeline which intersects the Solaros Tenements with high voltage electricity supply nearby. Three major seaports, Buenos Aires in Argentina, Antofagasta and Iquique in Chile, are serviced by international carriers and are accessible by road and/or rail from the Solaros Lithium Project area.

The Solaros Tenements are mostly adjacent to and principally surrounded by Tenements held by Orocobre Limited (ASX/TSX:ORE) and Lithium Americas Corporation (TSX/NYSE:LAC), within South America's 'Lithium Triangle' in North-Western Argentina.

The Solaros Lithium Project is located in the same Salar de Olaroz Basin as and directly adjacent to the producing Olaroz Lithium Facility (operated by Orocobre in a joint venture with Tokyo Stock Exchange listed Toyota Tsusho Corporation (TYO:8015)) producing lithium carbonate from lithium-rich brine extracted from bore fields drilled on the salar (salt lake).

The location of the Solaros Lithium Project is considered by Lithium Energy to be highly strategic and prospective for containing commercial quantities and concentrations of lithium-rich brine upon the basis that Lithium Energy believes the aquifer which supplies the lithium-rich brine being extracted by Orocobre Limited is likely to extend under the Solaros Tenements.

The Salar de Olaroz Basin is one of a number of land locked salt lakes located high up in the Argentinian Puna Region. This basin is bounded by a pair of north-south reverse faults that thrust Andes Paleozoic sediment west to east as a result of the Pacific Plate colliding with the South American Plate. This results in the west side of the basin being continually pushed higher which replenishes the sediment fill within the basin.

Argentina holds the world's biggest lithium resources (as brine deposits) and is currently the world's third largest producer of lithium, after Australia and Chile. One of the key attractions of lithium brine projects in Argentina is their low cost of production compared to hard rock lithium projects – Argentinian (and Chilean) lithium brine projects are well recognised as being the lowest on the lithium carbonate production cost curve. The principal reason for the low operating cost is that lithium rich brine, once pumped to the surface (typically from aquifers at up to several hundred metres depth) is then transferred to large evaporation ponds, which rely on free energy from the sun and local atmospheric conditions to concentrate the brine. There are generally no environmentally damaging tailings or toxic by-products.

8. PROJECTS OVERVIEW

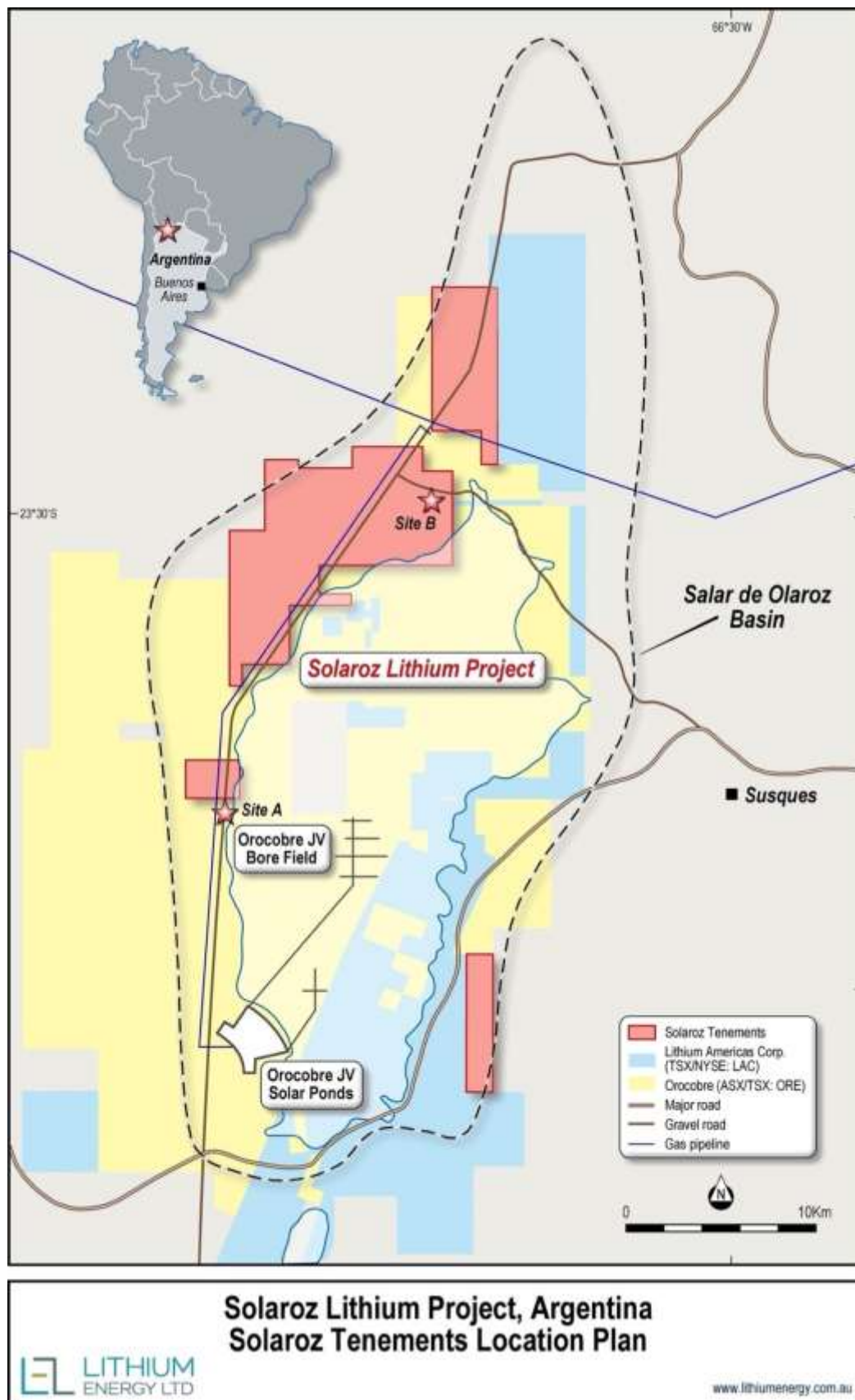
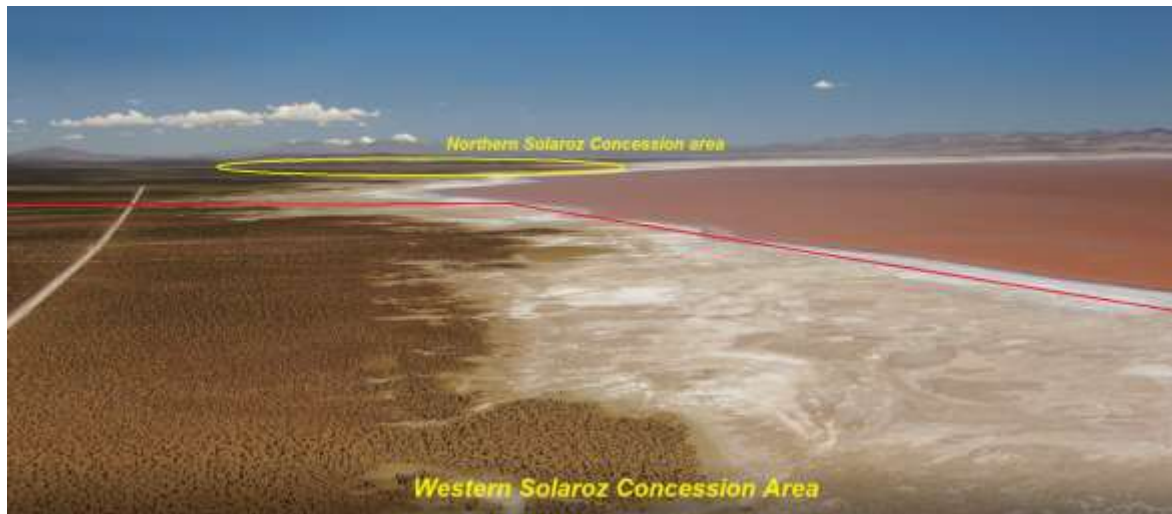
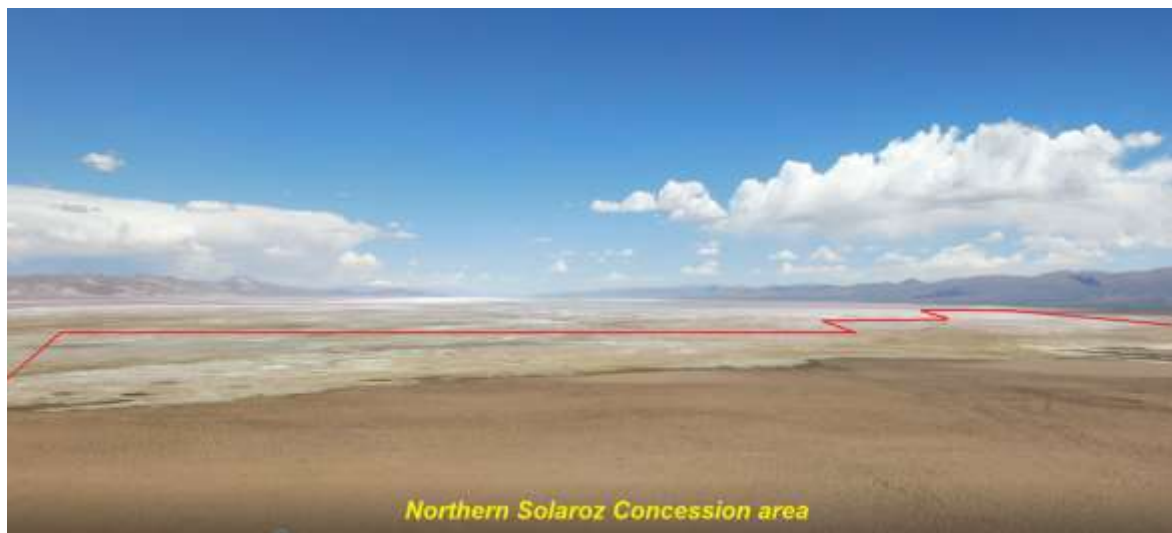


Figure 1: Solaroz Lithium Project – Location of Solaroz Tenements

8. PROJECTS OVERVIEW



*Figure 2A: Photograph of Solaroz Concession area taken from 'Site A' facing North
(Site A as identified in Figure 1: Solaroz Lithium Project – Location of Tenements)*



*Figure 2B: Photograph of Solaroz Concession area taken from 'Site B' facing South
(Site B as identified in Figure 1: Solaroz Lithium Project – Location of Tenements)*

Geology and Mineralisation

The Solaroz Tenements lie over the same Salar de Olaroz Basin from which Orocobre Limited is extracting and processing lithium rich brine for sale as lithium carbonate since 2015. The Solaroz Tenements follow and overlap into the visible white halite salt layer of the 'Salar' (salt lake) and extend as substantial flat areas with 1 - 2 metres of elevation to the visible halite area, providing a favourable location and topography for the construction of evaporation ponds (refer Figures 2A and 2B).

Lithium Energy's interpretation of the Salar de Olaroz Basin architecture is that the aquifer which supplies the lithium-rich brine being extracted by Orocobre is likely to extend under the Solaroz Tenements (refer Figure 3).

8. PROJECTS OVERVIEW

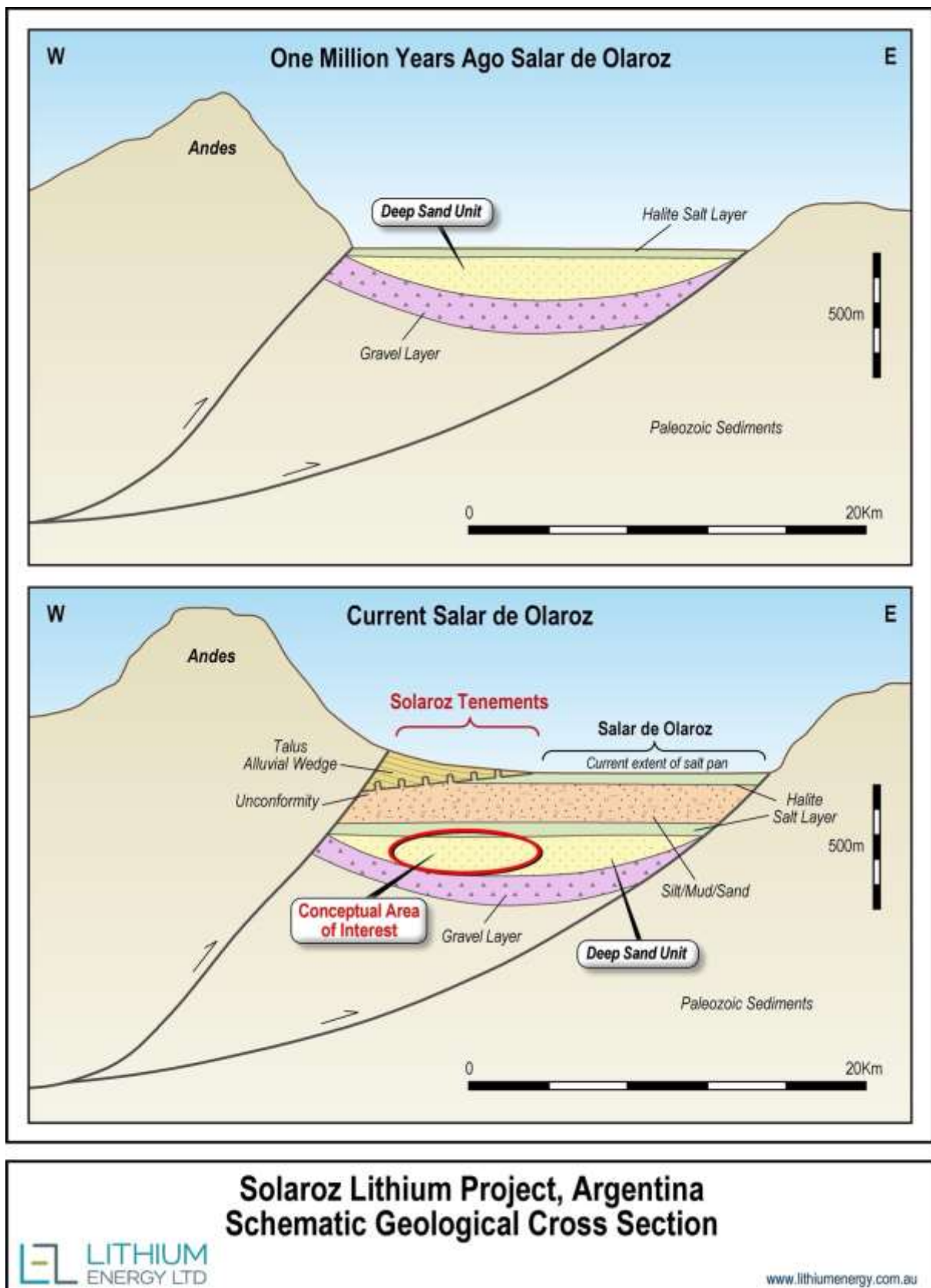


Figure 3: Geological cross sections depicting evolution of Olaroz Salar Basin and Lithium Energy's area of interest for lithium mineralisation

8. PROJECTS OVERVIEW

The Salar de Olaroz Basin originated as a structurally bounded, closed basin during the late Paleogene-Early Neogene. During much of the Miocene it appears to have slowly filled with medium to coarse grained alluvial fans and talus slopes eroded from the surrounding mountain ranges. As accommodation space was filled the sediments became progressively finer grained, braidplain, sandflat, playa and fluvial architectures are noted in the Upper Miocene and Pliocene. As the climate became more arid during the Pliocene, evaporitic deposits first appeared. Normal faulting created additional accommodation space is likely to have initiated at this time as well. The lowest drilled sediments indicate an arid climate with abundant halite. These Units are likely probably Pleistocene in age and are likely contiguous with the lowest drilled and reported sediments in the Salar de Olaroz Basin originated as a structurally bounded, closed basin during the late Paleogene-Early Neogene.

During much of the Miocene it appears to have slowly filled with medium to coarse grained alluvial fans and talus slopes eroded from the surrounding mountain ranges.

Influx of water and sediment is primarily from the Rosario catchment at the north of Salar de Olaroz Basin.

Geological modelling undertaken provides an interpretation that the alluvial deposits upon which the Solaroz Tenements are located (at the North-Western corner of the Salar de Olaroz and nominally bounded to the West by an interpreted bounding fault) have been deposited relatively recently and lie directly above the productive deep sand unit of the lithium rich aquifer from which Orocobre is currently extracting its brine (the **Deep Sand Unit**) (refer Figure 3).

This indicates the potential for a Deep Sand Unit to occur beneath surficial material at depths from 200 - 400m over a large proportion of the Solaroz Tenements.

Exploration Programme

The exploration and development programme proposed for the Solaroz Lithium Project will be conducted to determine the extent and grade of any lithium rich brine present within the Olaroz Salar Basin. Dependent upon exploration success of that programme, Lithium Energy will undertake further work to delineate a JORC Code compliant Mineral Resource and undertake studies to determine the economic potential of such a resource.

The proposed exploration programme will be conducted in a number of phases based upon the results of the previous phase over a two year period.

The initial exploration works will seek to outline the architecture of the Salar de Olaroz basin within the bounds of the Solaroz Concession area with the aim of defining area's where the target Deep Sand Unit is present and likely the to be thickest, as well as defining the location of any vertical faults which may have impacted the development of the Deep Sand Unit. These works will make use of geophysical survey methodologies such as Transient Electromagnetic, Gravity and Passive Seismic exploration works. Lithium Energy will then proceed to drill a series of exploration scout drill holes to test for the Deep Sand Unit. The drill holes will be sampled and analysed at a laboratory for the presence of lithium rich brine. Based upon positive exploration success, Lithium Energy will then proceed to drill a series of Tricone drillholes in order to obtain flowrates, and an initial bulk sample for metallurgical test work to support a resource estimate.

Further details of the indicative costs for the first two years of the exploration and development programme are set out in Section 8.4.

Prior to such works being able to commence there is a requirement for an Environmental Impact Assessment (EIA) Report for the proposed exploration work at the Solaroz Lithium Project to be approved by the Jujuy Mining Authority (the provincial authority responsible for approving exploration and mining activities at the Solaroz Lithium Project).

Strike has completed and lodged an EIA Report with the Jujuy Mining Authority with respect to the Solaroz Lithium Project. The EIA Report includes results from collecting and monitoring baseline environmental data and a detailed proposed fieldwork programme covering 2 years of proposed exploration activity. The EIA Report is currently under review by the Jujuy Mining Authority. Once the EIA Report is approved, the exploration and development works for the Solaroz Lithium Project will commence.

8. PROJECTS OVERVIEW

8.3 BURKE GRAPHITE PROJECT (QUEENSLAND, AUSTRALIA)

The Burke Graphite Project is located in the Cloncurry region in North Central Queensland, where there is access to well-developed transport infrastructure to an airport at Mt Isa (~122km) and a port in Townsville (~783km).

Lithium Energy holds an approximate 76.5% interest in the Burke Graphite Project and the underlying Burke Tenements. Pursuant to the Burke SPA, the Company will own a 100% interest in the Burke Tenements upon quotation of its securities on the ASX.

A Mineral Resource Estimate (**MRE**) for the Burke Mining Tenement has defined a maiden Inferred Mineral Resource of:

- 6.3 million tonnes @ 16% Total Graphitic Carbon (TGC) for 1,000,000 tonnes of contained graphite; and
- Within the mineralisation envelope there is included higher grade material of 2.3 million tonnes @ 20.6% TGC (with a TGC cut-off grade of 18%) for 464,000 tonnes of contained graphite which will be investigated further.

Mineral Resource Category	Weathering State	Mt	TGC (%)	Contained Graphite (Mt)	Density (t/m)
Inferred Mineral Resource	Oxide	0.5	14.0	0.1	2.5
	Fresh	5.8	16.2	0.9	2.4
	Total Oxide + Fresh	6.3	16.0	1.0	2.4

Note: The Mineral Resource was estimated within constraining wireframe solids defined above a nominal 5% TGC cut-off. The Mineral Resource is reported from all blocks within these wireframe solids. Differences may occur due to rounding. A key risk for the project is the production of saleable graphite concentrates, given that the test results are based on a single core intersection.

Refer Grade Tonnage Data in Table 2 of CSA Global Pty Ltd's Burke Graphite Project MRE Technical Summary dated 9 November 2017 (attached as Annexure A of Strike's ASX Announcement dated 13 November 2017: Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest Grade Natural Graphite Deposits).

The above Mineral Resource estimate is based on and fairly represents information and supporting documentation prepared by the Competent Person referred to in Section 8.5, being a person recognised under the JORC Code (2012).

In addition to the high-grade nature of the deposit, the Burke Mining Tenement:

- Comprises natural graphite that has been demonstrated to be able to be processed by standard flotation technology to international benchmark product categories. Flotation tests have confirmed that a concentrate of purity in excess of 95% and up to 99% TGC can be produced using a standard flotation process.
- Contains graphite from which Graphene Nano Platelets have been successfully extracted directly from the Burke Mining Tenement via Electrochemical Exfoliation (ECE). The ECE process is relatively low cost and environmentally friendly compared to other processes, yet it can produce very high purity Graphene products. The ECE process is however not applicable to the vast majority of worldwide graphite deposits as it requires a TGC of over 20% and accordingly the Burke Mining Tenement has potentially significant processing advantages over other graphite deposits.
- Is located in the relatively safe and mining friendly jurisdiction of Queensland, Australia with well-developed transport infrastructure and logistics nearby.
- Is potentially amenable to low cost open-pit mining.

8. PROJECTS OVERVIEW



Figure 4: Burke Graphite Project Tenement Locations in North Central Queensland

8. PROJECTS OVERVIEW

High Grade Intersections from Drilling

A maiden drilling campaign was undertaken between 24 April 2017 and 14 May 2017 to test the graphite mineralisation in the Burke Mining Tenement. Total metres drilled were 735.2m (618m in 9 Reverse Circulation holes and 117.2m in one diamond core hole) spread across four cross-sections over a strike length of 500m.

Drilling confirmed the continuity of high grade (>10%) graphite mineralisation over 500m along strike in the NE-SW direction and confirmed the presence of extensive zones of very high-grade graphite mineralisation, commencing at surface and extending to at least 100m in depth (refer Figure 5).

Intersections encountered include:

- Diamond Core Hole BGDD001 : 99.8 Metres @ 21.1% TGC from 9 metres depth; and
- RC Hole BGRC001 : 43 Metres @ 18.87% TGC from 21 metres depth.

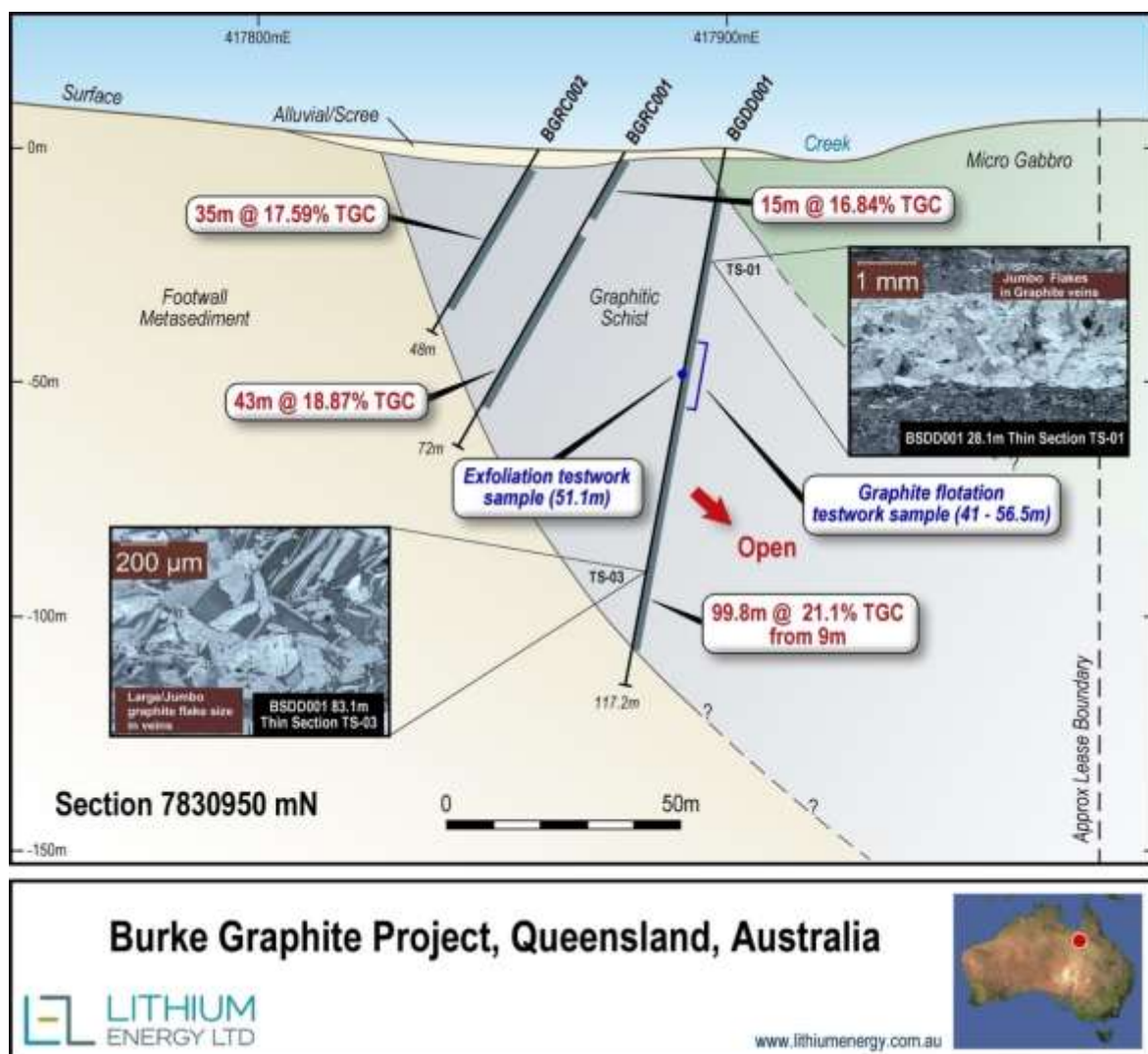


Figure 5: Burke Tenement Drilling Cross Section 7830950mN

8. PROJECTS OVERVIEW

Ground EM Surveys

A ground Electro Magnetic (EM) survey was completed in June 2018, covering the south-eastern corner of the Burke Mining Tenement and the Corella Mining Tenement.

The EM survey has identified the area comprising the Corella Mining Tenement as a significant target area for additional high-grade mineralisation as well as identifying new zones of increased conductivity adjacent to previously drilled graphite mineralisation at the Burke Mining Tenement.

The Corella Mining Tenement EM survey was carried out over outcropping and sub-cropping Geological Survey of Queensland mapped Graphitic Schists - the "Milo beds" - within the Corella Formation. Graphite grading 5 - 10% TGC is widespread throughout the outcropping Milo beds and the EM survey was carried out to identify higher-grade areas of mineralisation and identify future drill targets. The survey highlighted an area of approximately 1000m x 500m (refer Figure 6) within which conductive features similar to those corresponding to high-grade graphite occurring at the Burke Mining Tenement were identified.

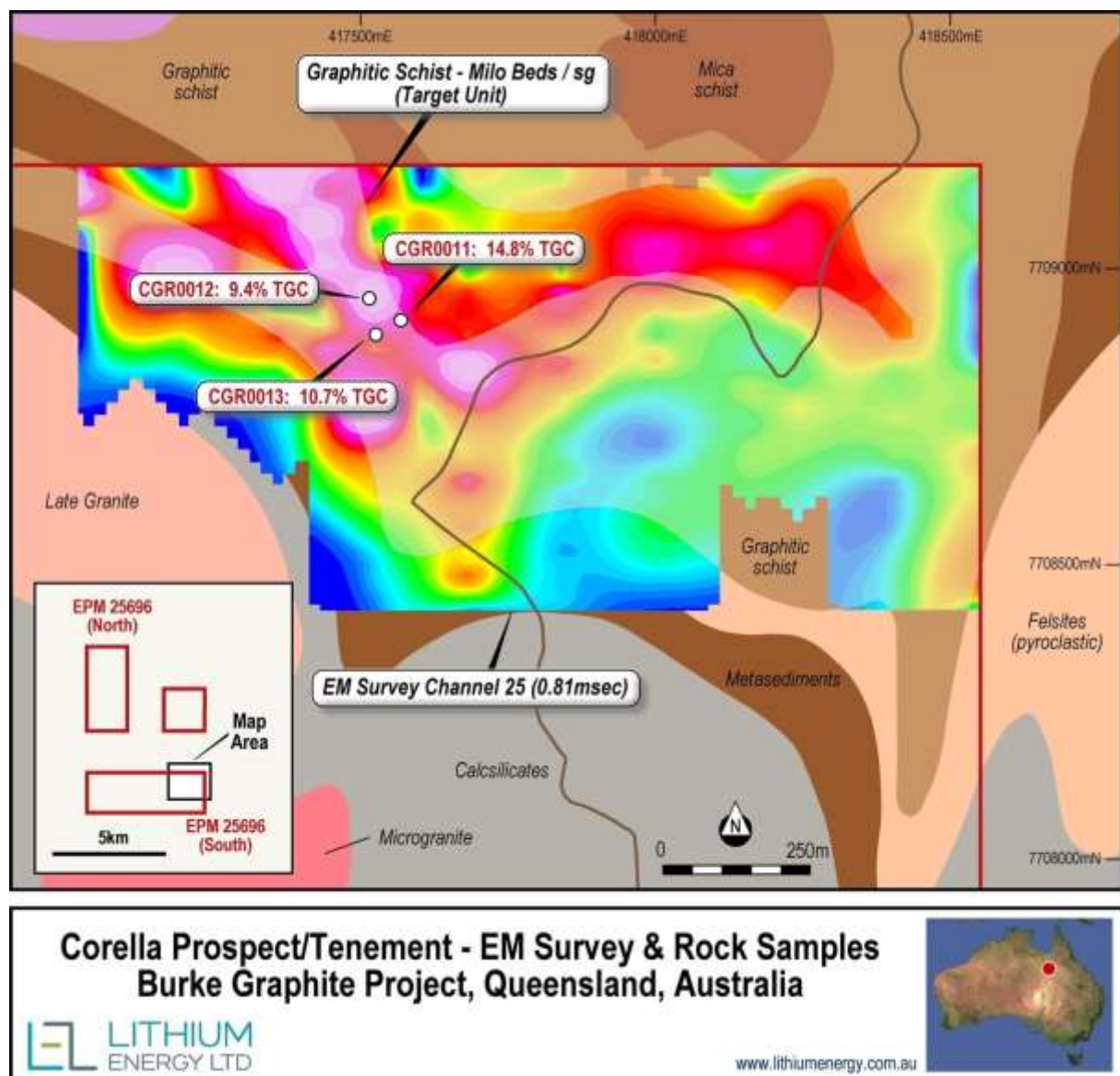


Figure 6: EM Survey - Corella Mining Tenement Burke Graphite Project

8. PROJECTS OVERVIEW

The conductive features identified at the Corella Mining Tenement appear to be shallow to flat-lying and occur in areas of outcropping and sub-cropping graphite that have rock chips (from previous sampling undertaken) of up to 14.85% TGC.

In addition to identifying the new potential at the Corella Mining Tenement, the EM survey identified minor structural offsets, together with new zones of increased conductivity at previously drilled areas within the Burke Mining Tenement.

The EM survey over the south-eastern corner of the Burke Mining Tenement was carried out over outcropping and sub-cropping Geological Survey of Queensland mapped Graphitic Schists of the Corella Formation. The survey highlighted the high-grade graphite identified in the maiden drilling programme and identified minor structural offsets, together with new zones of increased conductivity which are outlined in Figure 7.

In addition, the survey verified the width and dip of the drill intersected high-grade graphite

Lithium Energy proposes to advance the Burke Mining Tenement through further test work to determine and promote the suitability of the graphite contained within the current JORC Indicated Mineral Resource as a component for Lithium based batteries.

These works propose to consolidate and extend the existing testwork done on the Burke Mining Tenement graphite mineralisation in order to provide samples to potential offtake partners for further metallurgy and battery testwork. Further drilling is also proposed to acquire “fresh” drillcore for such ongoing test work.

In addition Lithium Energy proposes to conduct exploration work at its early stage Corella Mining Tenement to test the quality, grade and extent of graphite mineralisation previously encountered.

8. PROJECTS OVERVIEW

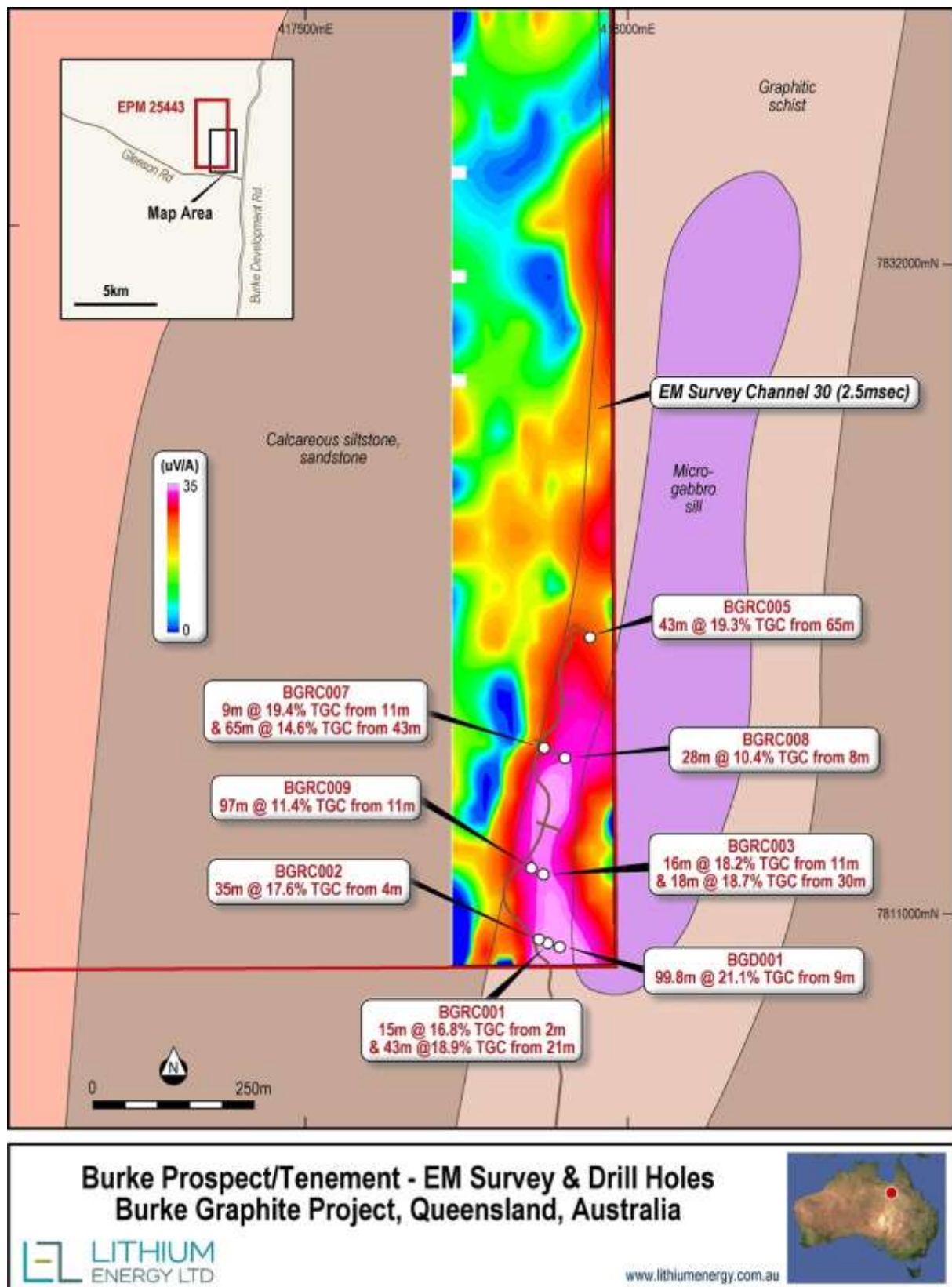


Figure 7: EM Survey - Burke Mining Tenement, Burke Graphite Project

8. PROJECTS OVERVIEW

8.4 SUMMARY OF PROPOSED EXPLORATION EXPENDITURE

Lithium Energy proposes to fund its intended exploration programmes over the Projects as outlined in the table below from the proceeds of the Issue:

Solaroz Lithium Project Proposed Expenditure:

Activity	Year 1 (\$)	Year 2 (\$)
Data compilation	45,000	-
Geophysics & surveying	260,000	70,000
Drilling	1,500,000	1,300,000
Sample Analyses	110,000	75,000
Field and staff costs	450,000	400,000
Resource Estimation	75,000	160,000
Local Administration	60,000	60,000
Total	2,500,000	2,065,000

Burke Graphite Project Proposed Expenditure:

Activity	Year 1 (\$)	Year 2 (\$)
Data compilation	30,000	30,000
Geophysics & surveying	10,000	-
Drilling	125,000	145,000
Sample Analyses	35,000	40,000
Field and staff costs	30,000	35,000
Local Administration	15,000	15,000
Testwork and Analysis	70,000	40,000
Resource Estimation	-	40,000
Tenement costs	5,000	5,000
Total	320,000	350,000

Combined Exploration Expenditure

Activity	Year 1 (\$)	Year 2 (\$)	Total (\$)
Solaroz Lithium Project	2,500,000	2,065,000	4,565,000
Burke Graphite Project	320,000	350,000	670,000
Total	2,820,000	2,415,000	5,235,000

The above exploration programme expenditures are approximations and are subject to change. They are contingent on circumstances, results and other opportunities which may arise. Accordingly, expenditure may be reallocated amongst the existing Projects or to new Projects or to general working capital.

8.5 COMPETENT PERSON'S STATEMENTS

Explorations Results, metallurgical test work results and Mineral Resource estimates disclosed in this Prospectus are in accordance with the JORC Code (2012).

Due to the nature, stage and size of Lithium Energy's existing operations, the Company believes that there would be no efficiencies gained by establishing a separate Mineral Reserves/Resources Committee responsible for reviewing and monitoring Lithium Energy's processes for calculating JORC Code compliant Mineral Reserves/Resources estimates. The Board as a whole has responsibility in this regard (with assistance from external advisers as appropriate) including ensuring that appropriate internal controls are applied to such calculations.

8. PROJECTS OVERVIEW

Lithium Energy ensures that any Mineral Reserve/Resource estimates are prepared by a Competent Person in accordance with the JORC Code (2012) and where appropriate, reviewed independently and verified (including estimation methodology, sampling, analytical and test data).

The Competent Persons named below have been previously engaged by Strike, as the ultimate parent company of LEOPL and LEAOPL that have secured interests in the Solaroz Lithium Project and Burke Graphite Project respectively. The Company is currently a wholly-owned subsidiary of Strike and the Company has recently (with effect on 31 January 2021) acquired LEOPL and LEAOPL from Strike.

JORC Code (2012) Competent Person's Compliance Statement – Solaroz Lithium Project (Argentina)

The information in this Prospectus that relates to Exploration Results in relation to the Solaroz Lithium Project is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Peter Smith (BSc (Geophysics) (Sydney) AIG ASEG), including information extracted from the ASX market announcement made by Strike dated 13 March 2019 and entitled "Strike Secures Solaroz Lithium Brine Project in Argentina's Lithium Triangle".

Mr Smith is a Member of AIG and a consultant to Strike Resources Limited (and also a Director of the Company (since 18 March 2021)). Mr Smith has the requisite experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement (referred to above). 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 market announcement (referred to above). Mr Smith consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

JORC Code (2012) Competent Persons' Compliance Statements - Burke Graphite Project (Queensland)

- (a) The information in this Prospectus that relates to Mineral Resources in relation to the Burke Graphite Project is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Grant Louw under the direction and supervision of Dr Andrew Scogings, including information extracted from the following ASX market announcement made by Strike dated 13 November 2017 and entitled "Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest-Grade Natural Graphite Deposits".

Dr Scogings and Mr Louw are both former employees of CSA Global Pty Ltd, who had been engaged by Strike to provide mineral resource estimate services. Dr Scogings takes overall responsibility for this information. Dr Scogings is a Member of AIG and AusIMM and has the requisite experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement (referred to above). 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 market announcement (referred to above). Dr Scogings consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

- (b) The information in this Prospectus that relates to metallurgical test work results in relation to the Burke Graphite Project is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Peter Adamini, BSc (Mineral Science and Chemistry), including information extracted from the following ASX market announcements made by Strike dated:
- 16 October 2017 entitled "Test-work confirms the potential suitability of Burke graphite for Lithium-ion battery usage and Graphene production".
 - 13 November 2017 entitled "Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest-Grade Natural Graphite Deposits".

8. PROJECTS OVERVIEW

Mr Adamini is a Member of AusIMM and is a full-time employee of Independent Metallurgical Operations Pty Ltd, who had been engaged by Strike to provide metallurgical consulting services. Mr Adamini has the requisite experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements (referred to above). 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 market announcements (referred to above). Mr Adamini consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

- (c) The information in this Prospectus that relates to other Exploration Results (including the ground Electro-Magnetic (EM) survey) in relation to the Burke Graphite Project is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Peter Smith (BSc (Geophysics) (Sydney) AIG ASEG), including information extracted from the following ASX market announcements made by Strike dated:
- 21 April 2017 entitled "Jumbo Flake Graphite Confirmed at Burke Graphite Project, Queensland".
 - 13 June 2017 entitled "Extended Intersections of High-Grade Graphite Encountered at Burke Graphite Project".
 - 21 June 2017 entitled "Further High-Grade Intersection Encountered at Burke Graphite Project".
 - 16 October 2017 entitled "Test-work confirms the potential suitability of Burke graphite for Lithium-ion battery usage and Graphene production".
 - 13 November 2017 entitled "Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest-Grade Natural Graphite Deposits".
 - 26 June 2018 entitled "Burke Graphite Project – New Target Area Identified from Ground Electro-Magnetic Surveys".

Mr Smith is a Member of AIG and a consultant to Strike Resources Limited (and also a Director of the Company (since 18 March 2021)) and a Director, Company Secretary and shareholder of Burke Minerals Pty Ltd (the registered holder of the Burke Tenements), and with whom Strike, LEAOPL and the Company has a contractual relationship pursuant to the Burke Farm-In Agreement and the Burke SPA).

Mr Smith has the requisite experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in, and the form and content in which the Competent Person's findings are presented have not been materially modified from, the original market announcements (referred to above). Mr Smith consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

8.6 ADDITIONAL INFORMATION

Prospective investors are referred to and encouraged to read in its entirety the:

- (a) the Independent Technical Assessment Report in Section 9 for further details about the geology, location and mineral potential of Lithium Energy's Projects;
- (b) the Argentinian Legal Report in Section 10 for further details in relation to the Solaroz Lithium Project and Solaroz Tenements; and
- (c) the Solicitor's Tenement Report (Australia) in Section 11 for further details in relation to the Burke Graphite Project and Burke Tenements.



30 March 2021

The Directors

Lithium Energy Limited

Dear Sirs,

Re: INDEPENDENT TECHNICAL ASSESSMENT REPORT

on the Mineral Projects held by

LITHIUM ENERGY LIMITED IN ARGENTINA AND QUEENSLAND

Agricola Mining Consultants Pty Ltd ("Agricola") was commissioned by the Directors of Strike Resources Limited ("Strike") to provide an Independent Technical Assessment Report ("Report") on the Solaroz Lithium Brine Project in Argentina, and the Burke Graphite Project in Queensland (the "Projects"). This Report will be included in a Prospectus to be lodged with the Australian Securities and Investments Commission ("ASIC") for the proposed spin-out of the Projects by Strike into a new company, Lithium Energy Limited ("LEL" or the "Company") which will be undertaking a listing on the Australian Securities Exchange ("ASX") as part of the Prospectus capital raising by LEL. LEL is currently a wholly owned subsidiary of Strike and is the owner of the Projects.

Agricola has completed a compilation and review of regional geological setting, local geology, mineralisation, and previous work. The objectives of this Report are to provide a geological overview covering pertinent aspects in detail and to provide comments on the exploration potential for further discovery of mineralisation and planned exploration by the Company.

Under the definition provided in the VALMIN Code, the Solaroz Lithium Brine Project in Argentina is classified as an *Exploration Project* where no mineral resources have been estimated to JORC 2012 standard. The Burke Graphite Project in Queensland is classified as an *Advanced Exploration Project* where Mineral Resource Estimates have been compiled in accordance with the JORC Code, 2012.

This Report was prepared by Malcolm Castle, a Competent Person and Member of the Australasian Institute for Mining and Metallurgy, in accordance with the *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets* (VALMIN Code 2015 Edition) and the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code 2012 Edition). Malcolm Castle is the principal consultant for Agricola. Exploration results in the Report are based on, and fairly represent, information and supporting documentation prepared by Malcolm Castle.

Agricola, its employees, and associates are not, nor intend to be, directors, officers, or employees of Strike or LEL and have no material interest in either of the Projects or the Company. The relationship with Strike is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the descriptions and findings of this Report.

Agricola considers that the Projects are prospective subject to varying degrees of risk and warrant further exploration and development of their mineral potential. The exploration strategy and programs proposed by LEL are consistent with the mineral potential and status of the Projects. The proposed expenditure is sufficient to meet statutory tenement expenditure requirements.

Consent is given for the inclusion of this Report in the Prospectus and distribution of this Report in the form and context in which it appears.

The Mineral Assets

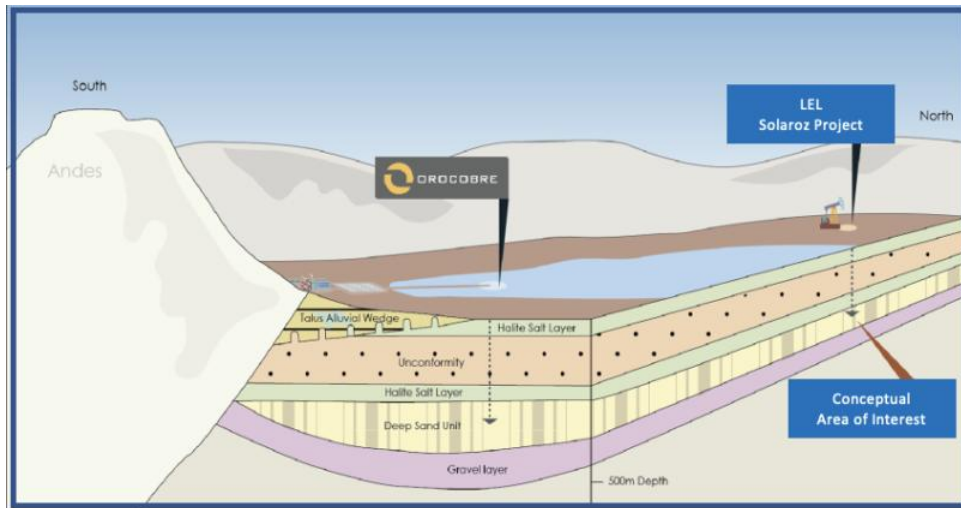
The Solaroz Lithium Brine Project, Argentina (LEL 90%)

The Company has an agreement to acquire a 90% interest in the Solaroz Lithium Brine Project (Solaroz) within South America's 'Lithium Triangle' in North-West Argentina in the Salar de Olaroz basin.



Location of Salar de Olaroz on the Lithium Triangle

The Project area has been explored by regional mapping and interpretation of extensions of the results obtained by Orocobre Ltd at the adjacent Olaroz Joint Venture. The area is covered by talus deposits that prevent direct access to the salar sediments except by geophysics and drilling.

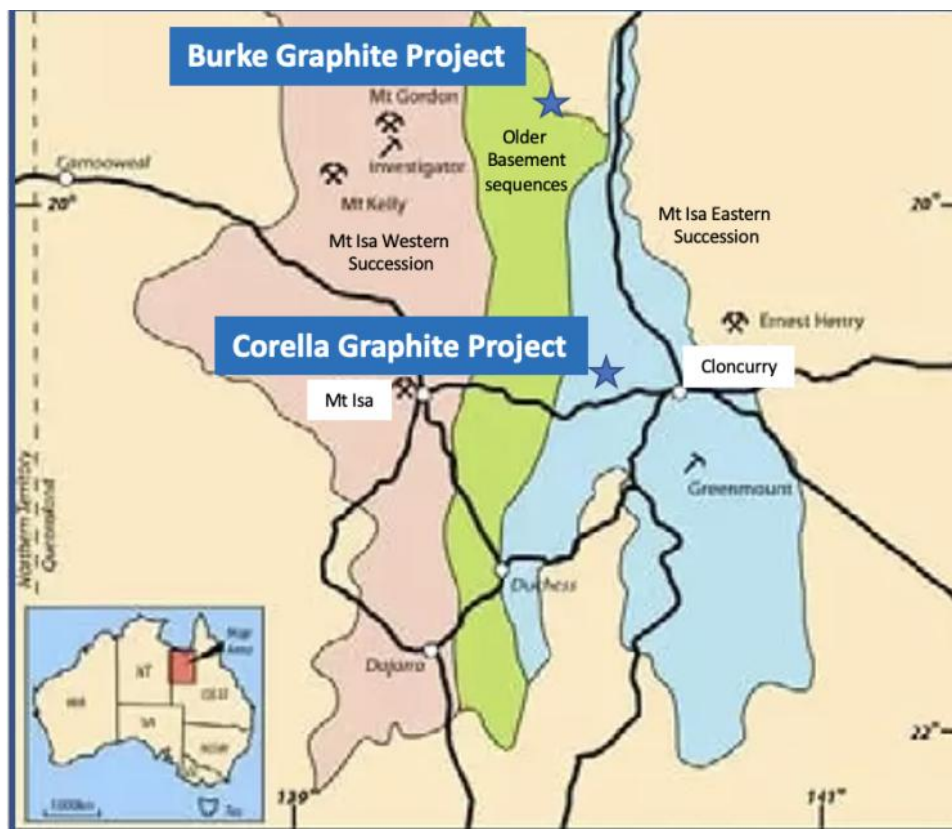


Lithium brine exploration concept (Source: Strike 2019)

LEL's interpretation of the basin architecture is that the aquifer (Deep Sand Unit) which hosts the lithium-rich brine being extracted by Orocobre (and targeted by other exploration and development companies in the area) extends under the Solaroz Project.

LEL's lithium brine exploration concept is based on the interpretation that the alluvial deposits (the Talus Alluvial Wedge), over which the Solaroz Tenements are located at the North-West corner of the salar, have been deposited relatively recently and lie directly above the productive Deep Sand Unit of the lithium rich aquifer.

Burke Graphite Project, Queensland (LEL 100%)



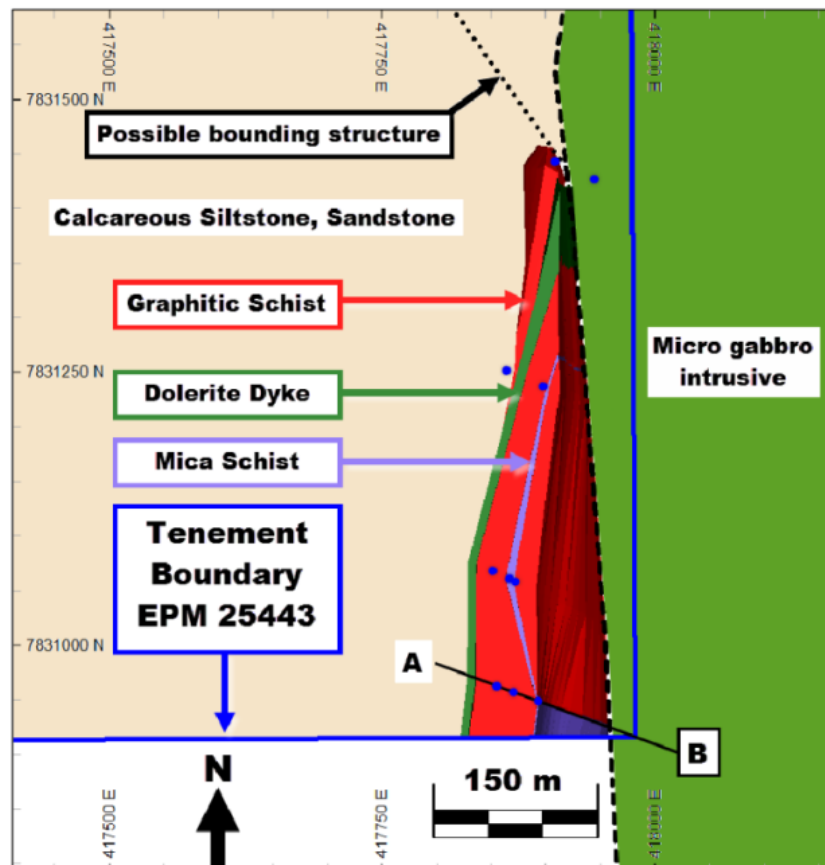
Location of the Burke Graphite Project

Strike secured a 60% interest in the Burke Graphite Project in 2016 that is located immediately adjacent to the Mt Dromedary Graphite Project held by Novonix Limited (formerly Graphitecorp Limited) (ASX: NVX). In 2021 Strike's interest in the Burke Graphite Project was transferred to LEL and at that time LEL also entered into an agreement to acquire the outstanding minority interests in the Burke Graphite Project.

The results to date indicate wide, continuous high-grade graphite schists which from previous sampling have demonstrated large to jumbo flake size potential. The geometry of the mineralised zone and its occurrence from surface indicate potential for a low-cost open pit mining operation.

An Inferred Mineral Resource Estimate was compiled for the Burke Graphite Project in 2017 with the following outcome:

- 6.3 million tonnes @ 16.0% Total Graphitic Carbon (TGC) (with a TGC cut-off grade of 5%) for 1,000,000 tonnes of contained graphite.
- Within the mineralisation envelope there is included higher grade material of 2.3 million tonnes @ 20.6% TGC (with a TGC cut-off grade of 18%) for 464,000 tonnes of contained graphite.
- There is some capacity to expand the current resource estimate down dip towards the tenement boundary and possibly to the north.



Graphitic schist within EPM 25443 (Source: Strike 2017e).

The Burke Graphite Deposit resource is adjacent to the Mount Dromedary Flake Graphite deposit held by Novonix that announced a total resource of 14.3 million tonnes at 13.3% TGC.

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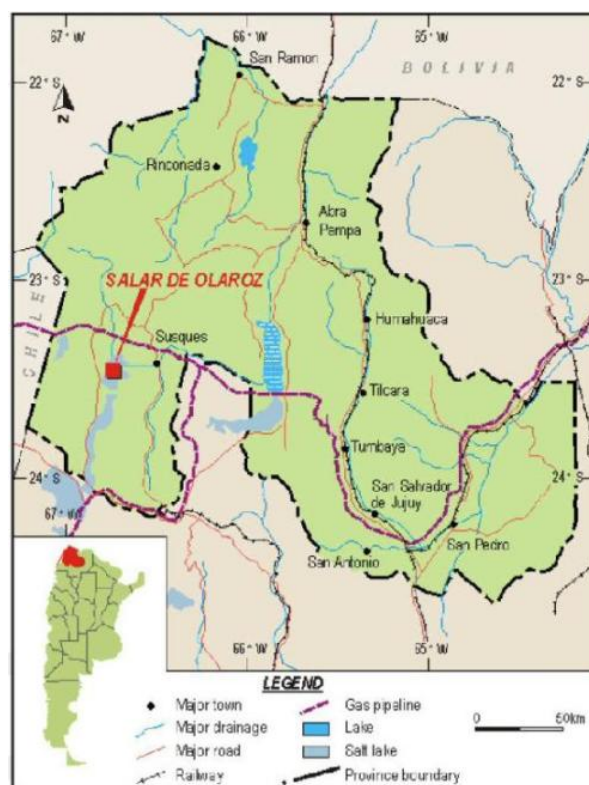
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THE SOLAROSZ LITHIUM BRINE PROJECT, ARGENTINA (LEL 90%)

The Company has an agreement to acquire a 90% interest in the Solaroz Lithium Brine Project (“Solaroz”) within South America’s ‘Lithium Triangle’ in North-West Argentina.

Solaroz is adjacent to and principally surrounded by concessions held by ASX-listed Orocobre Limited (Orocobre, ASX: ORE) and TSX-listed Lithium Americas Corporation (TSX: LAC). Solaroz is located in the Salar de Olaroz Basin where the producing Salar de Olaroz Lithium Brine Project (Olaroz Joint Venture) is operated by Orocobre and its JV partner, Tokyo Stock Exchange listed Toyota Tsusho Corporation (TYO:8015).



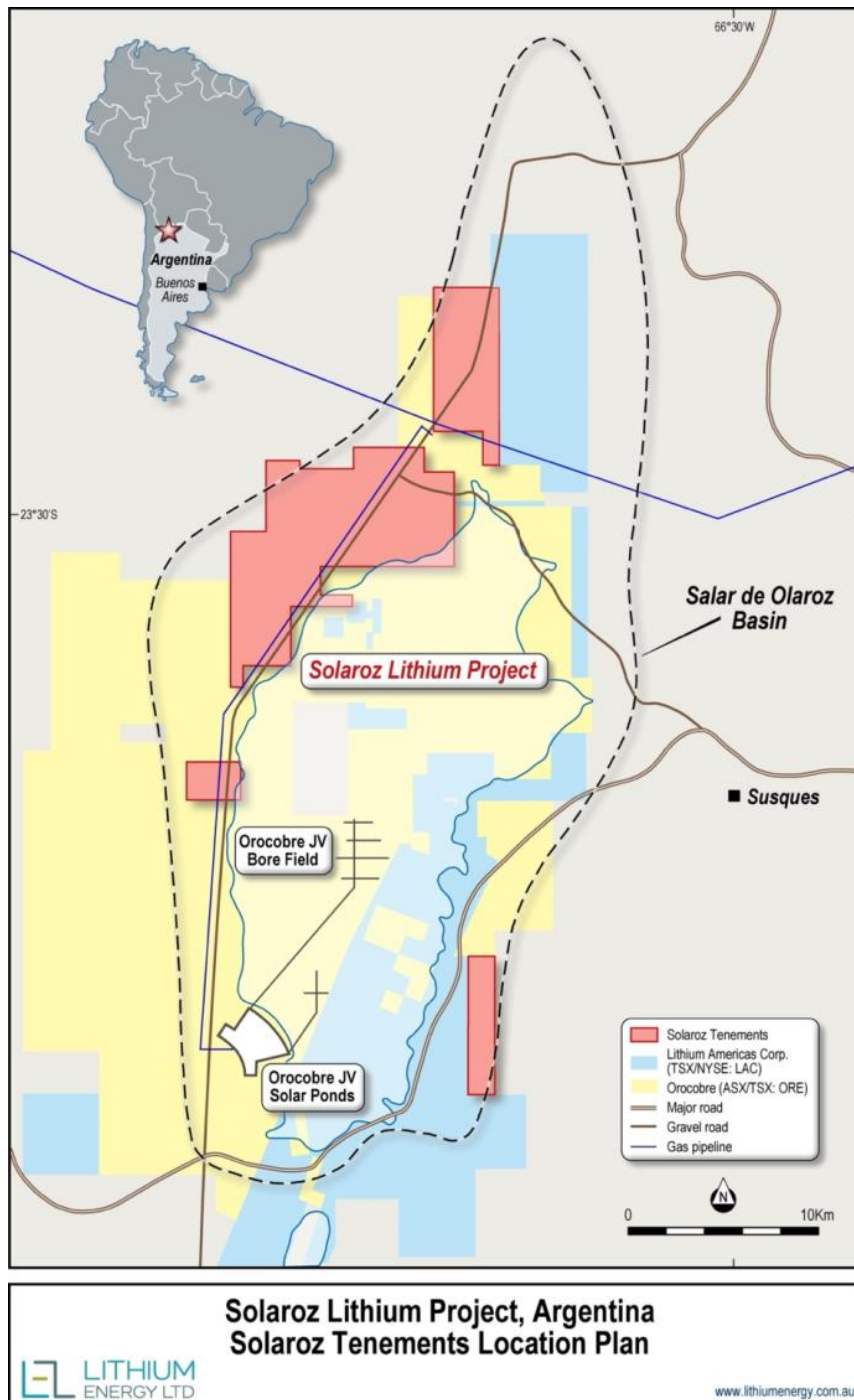
The Salar de Olaroz Location, North West Argentina

The Solaroz Lithium Brine Project includes eight mining property applications (the “Tenements”) covering the available area of 12,080 hectares (120.8 km²) in the Department of Susques, Province of Jujuy, northern Argentina. It is approximately 230 kilometres north-west of the Department capital city of Jujuy. The Tenements are awaiting approval of the Environmental Impact Assessment Report and grant by the Government of Jujuy.

The project site is adjacent to the paved highway which passes through the international border with Chile, 45 km to the southwest (Jama Pass), continuing on to the major mining centre of Calama, and the port of Mejillones, near Antofagasta in northern Chile. The Solaroz Tenements lie at an altitude of approximately 3,900 metres and are accessed by good quality road infrastructure.

Approximately 70 kms to the south of the project site a railway crosses from northern Argentina to Chile, providing potential access to a number of ports in northern Chile. There are a number of local villages within 50 kms of the project site and the regional administrative centre of Susques (population 2,000) is within half an hour's drive.

A gas pipeline running from northern Argentina to Chile is approximately 15 kms to the north of the Salar de Olaroz. There is a dehumidifying and compression station where the pipeline crosses the N-S road along the west side of Salar de Olaroz.



Location of the Solaroz Tenements in Northern Argentina (Source: LEL).

Solaroz Lithium Brine Project					
Tenement	File No.	Application Date	Area, Ha	Holder	LEL Equity
Chico VI	1229-M09	15/9/09	835.24	Pablo Moncholi	90%
Chico VI	1312-M09	13/11/09	1,800.00	Pablo Moncholi	90%
Chico VI	1313-M09	13/11/09	1,400.18	Pablo Moncholi	90%
Payo	1514-M10	15/11/20	987.62	Pablo Moncholi	90%
Payo I	1516-M10	15/11/10	1,973.24	Pablo Moncholi	90%
Payo II	1515-M/10	31/12/10	2,192.63	Pablo Moncholi	90%
Silvia Irene	1706-S/11	21/12/11	2,348.13	Pablo Moncholi	90%
Mario Angel	1707-S/11	21/12/11	542.92	Pablo Moncholi	90%
Total Area			12,079.96	Hectares	
			120.80	km²	
<i>The status of tenure has been independently verified by Agrícola (VALMIN 7.2)</i>					

Tenements comprising the Solaroz Project

Due Diligence Report: The mining files are in good standing. Upon fulfilling with the administrative process settled by law, the titleholder will get the final title in due time. There are no encumbrances, mortgages or liens pending on the mining applications under analysis. (Details of the Tenements, agreement and the Mining Laws of Argentina can be found in Saravia Frías Abogados, 2021)

Regional Geological Setting

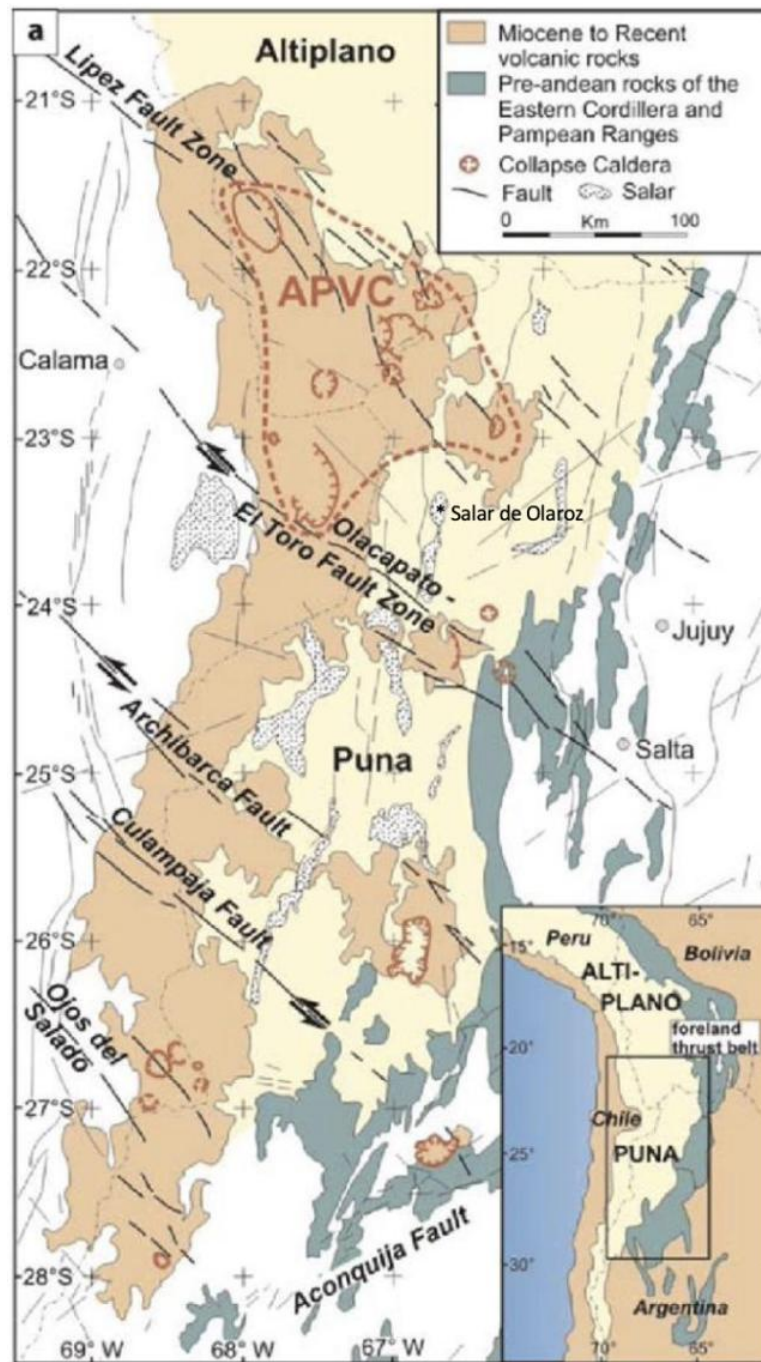
Salar de Olaroz is located towards the centre of the elevated Puna Plateau in northern Argentina which has been subject to uplift along thrust systems inverting earlier extensional faults. The Puna Plateau is host to numerous large ignimbrites and stratovolcanoes.

The oldest rocks that outcrop in the area are Ordovician turbidites of the Puna Turbidite Basement in the mountains on the western margin of the Salar de Olaroz, with minor north-south trending outcrops of Ordovician sediments in the range to the east of the salar. Ordovician granitoids are mapped locally east of the salar, in contact with Ordovician sediments. Minor outcrops of the conglomerates/sandstones and sandstones of the Cretaceous Pirgua Subgroup and Lecho Groups respectively strike north south and outcrop with Ordovician units.

Jurassic - Cretaceous - Eocene

The Andes Mountains have been part of a convergent plate margin since the Jurassic with both a volcanic arc and associated sedimentary basins developed as a result of eastward dipping subduction. The early island arc is interpreted to have formed on the west coast of South America during the Jurassic, progressing eastward during the mid-Cretaceous. An extensional tectonic regime existed through the late Cretaceous, generating back-arc rifting and grabens. Marine sediments of Jurassic to Cretaceous age underlie much of the Central Andes.

During the late Cretaceous to the Eocene, the volcanic arc migrated east to the position of the current Precordillera. Significant crustal shortening occurred during the Incaic Phase, forming a major north-south watershed, contributing to the formation of coarse clastic continental sediments. Initiation of shortening and uplift in the Eastern Cordillera of Argentina contributed to forming a second north-south watershed, with the accumulation of coarse continental sediment throughout the Puna.



South-central Andes showing dominant morpho-tectonic units, prominent WNW-ESE structures, and distribution of late Cenozoic collapse calderas. (Source: Riller 2006)

Oligocene to Miocene

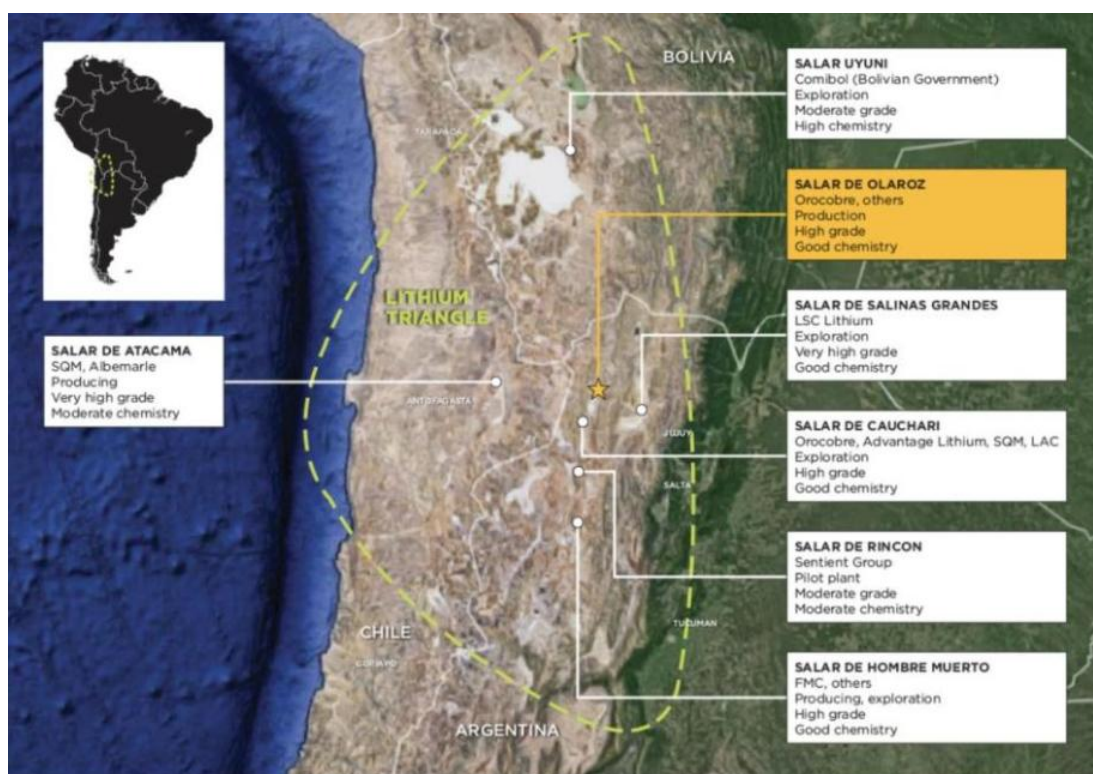
Volcanism - By the late Oligocene to early Miocene, the volcanic arc switched to its current location in the Western Cordillera. At the same time, significant shortening across the Puna on reverse faults led to the initiation of separated depo-centres. Major uplift of the Altiplano-Puna plateau began during the middle to late Miocene, perhaps reaching 3,500 m. The reverse faults are interpreted as being responsible for increasing the accommodation space in the basins by uplift of mountain ranges marginal to the Puna salar basins. This is confirmed by the seismic section across Salar de Olaroz.

Late Miocene volcanism in the Altiplano-Puna Volcanic Complex erupted numerous ignimbrite sheets, with associated caldera subsidence, and the formation of andesitic to dacitic stratovolcanoes. This volcanic activity was often constrained by NW-SE trending crustal mega-fractures, which are particularly well displayed along the Calama-Olacapato-El Toro lineament passing to the south of Salar de Olaroz.

Sedimentation - During the early to middle Miocene red bed sedimentation is common throughout the Puna, Altiplano and Chilean Pre-Andean Depression. This suggests continental sedimentation was dominant at this time. With thrust faulting, uplift and volcanism intensifying in the mid to late Miocene, sedimentary basins between the thrust sheets became isolated by the thrust bounded mountain ranges. At this stage the basins in the Puna developed internal drainages, bounded by major mountain ranges to the west and east.

Sedimentation in the basins consisted of alluvial fans forming from the uplifting ranges with progressively finer sedimentation and playa sands and mudflat sediments deposited towards the low energy centres of the basins. There has been extensive evaporitic deposition with borate deposition.

Climate - Northern Argentina has experienced a semi-arid to arid climate as a result of its stable location relative to the Hadley circulation (marine current). Most moisture originating in Amazonia was blocked due to Andean uplift. The high evaporation level, together with the reduced precipitation, has led to increased aridity and the deposition of evaporites in many of the Puna basins.



Brine Deposits in the Lithium Triangle

Source: <https://www.orocobre.com/the-markets/lithium-supply/>

Pliocene-Quaternary

During the Pliocene-Pleistocene tectonic deformation took place as shortening moved east from the Puna into the Santa Barbara fault system. Coincident with this change in tectonic activity climatic fluctuation occurred with short wetter periods alternating with drier periods.

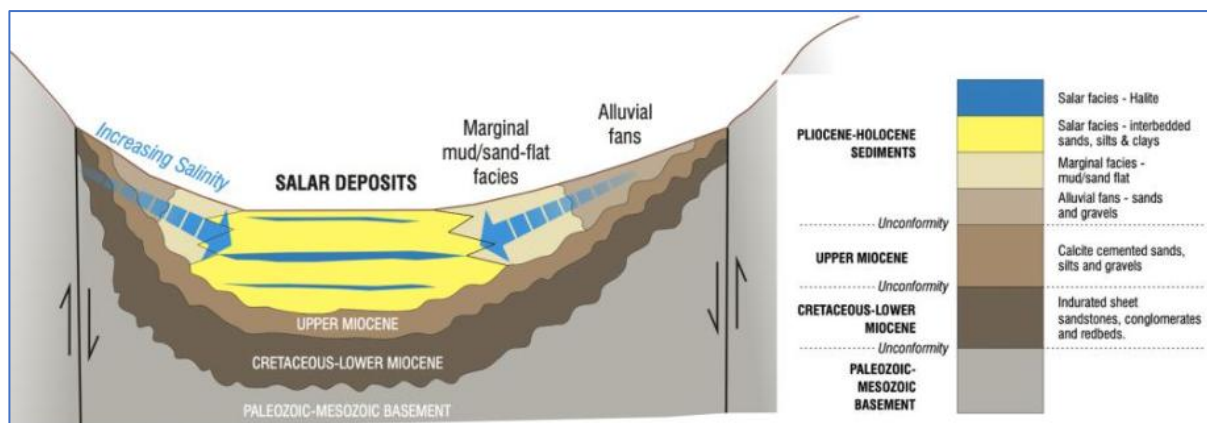
As a result of both reduced tectonic activity in the Puna and the predominant arid conditions, reduced erosion led to reduced sediment accumulation in the isolated basins. However, both surface and groundwater inflows into the basins continued the leaching, dissolution transportation and concentration of minerals. Precipitation of salts and evaporites occurred in the centre of basins where evaporation is the only means of water escaping from the hydrological system.

Evaporite minerals (halite, gypsum) occur disseminated within clastic sequences in the salar basins and as discrete evaporite beds. In some mature salars such as Salar de Hombre Muerto and Salar de Atacama thick halite sequences have formed.

The Olaroz Basin

The Salar de Olaroz originated as a structurally bounded, closed basin during the late Paleogene-Early Neogene. During much of the Miocene it appears to have slowly filled with medium to coarse grained alluvial fans and talus slopes eroded from the surrounding mountain ranges. As accommodation space was filled the sediments became progressively finer grained, braidplain, sandflat, playa and fluvial architectures are noted in the Upper Miocene and Pliocene. As the climate became more arid during the Pliocene evaporitic deposits first appeared.

Normal faulting created additional accommodation space probably initiated at this time too. The lowest drilled sediments indicate an arid climate with abundant halite. These Units are probably Pleistocene in age and are likely contiguous with the lowest drilled and reported sediments in the Salar de Cauchari to the south, suggesting the two basins operated as a continuous hydrologic entity at that stage. Succeeding units suggest continued subsidence in the centre of the basin, with a climate that was variable. Influx of water and sediment is primarily from the Rosario catchment at the north of Salar de Olaroz.



Conceptual Model of the Olaroz Basin (Source, Orocobre 2010)

At depth a uniform and thick highly porous sandstone aquifer has been intersected in both the Salar de Cauchari by LAC and the Salar de Olaroz by Orocobre. Due to its depth the aquifer has only been intersected in a few holes.

Fluvial sandstones and argillite of the Paleocene-Eocene Santa Barbara Subgroup are restricted in outcrop to the mountain range east of the salar but may also underly the salar. Conglomerates and sandstones of the lower Eocene Río Grande Formation outcrops as a north-south belt in the mountain ranges both east and west of the salar, together with sandstones of the Oligocene-Miocene Vizcachera Formation and are thus expected to also underly the salar. The Miocene upper Vizcachera Formation (sandstones, conglomerates, tuffs, and ignimbrites) outcrops in both ranges, with greater exposure in the lower flanks of the eastern range and is also expected to underly the salar.

The Miocene Yungara Dacite occurs in the eastern range adjacent to the southern portion of the salar. Clastic, evaporitic, and pyroclastic sequences of the Miocene Pastos Chicos Formation occur as outliers around the salar basin, together with the Miocene Pastos Grandes Group.

These units are surrounded by Holocene fluvial deposits which enclose the salt crust of the salar itself. Alluvial fans and piedmont deposits are developed on the margins of the salar basin, with fine debris of sandstone clasts in the topographically lower areas on the margins of the salar. In the north of the salar basin the Rosario River has developed a delta with transitions from sandy clastic to evaporite units.

The salar itself is composed of a central chloride/halite zone, surrounded by sulphate and carbonate zones overlying clastic sediments of Plio-Pleistocene and late Cretaceous to Miocene age considered equivalent to those outcropping around the salar.

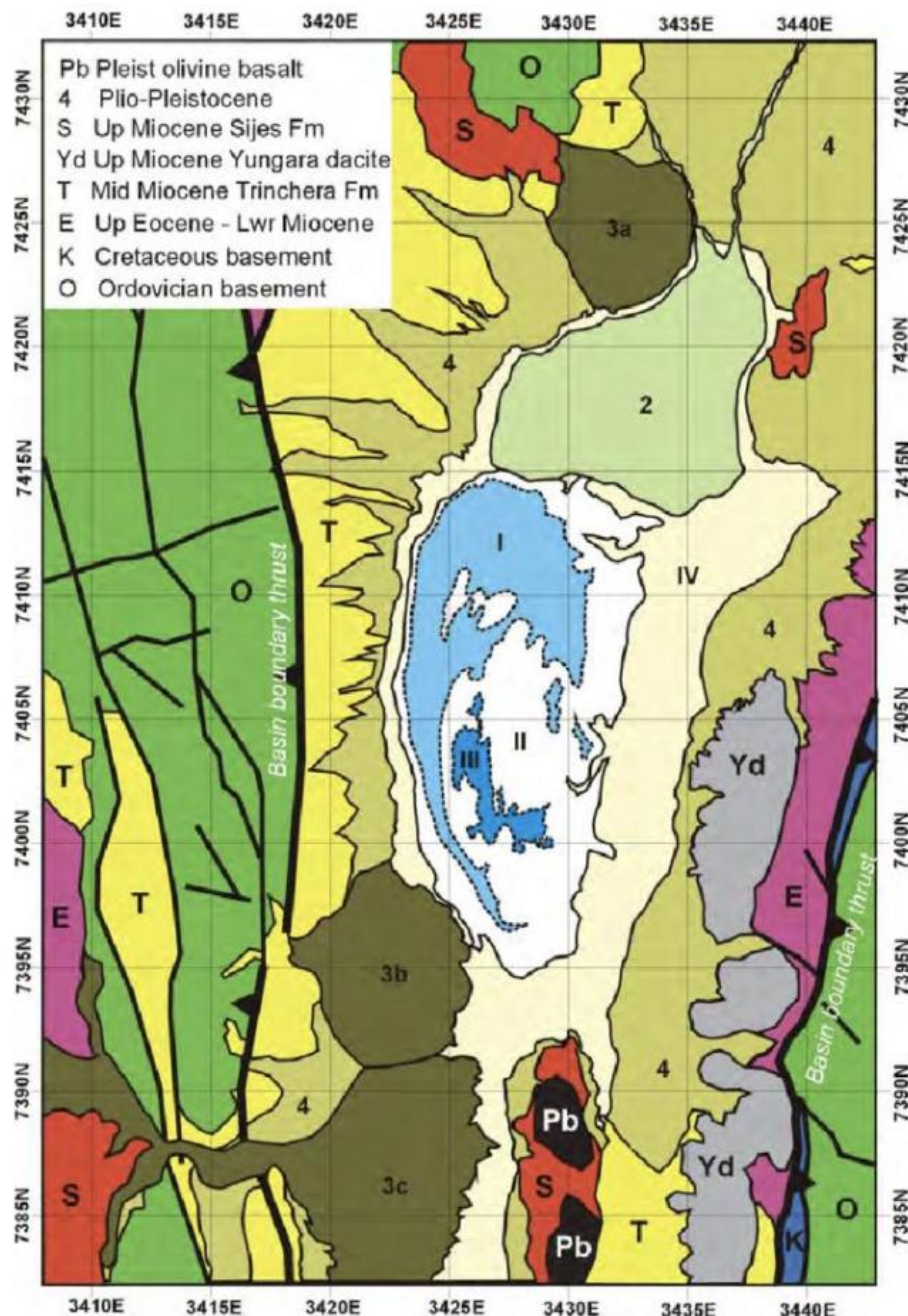
Post Miocene Basin

The Olaroz-Cauchari basin is bounded by a pair of N-S thrust faults. These faults can be seen to thrust Ordovician and Cretaceous basement rocks over the Cenozoic basin fill. The gravity profile suggests that the Cenozoic basin infill is of the order of 800-1,200 m deep. Within the basin boundary faults, a series of N-S normal faults downthrow towards the centre of the basin along both the east and west sides. Outcrop along the east and west sides of the basin are composed of Paleogene (outer) and Neogene (inner) sediments, which the gravity profile indicates also underlie the central post-Miocene sediments. Along the SE side of the Olaroz basin the Yungara dacite and a Pleistocene olivine basalt outcrop in a N-S alignment, suggestive of intrusion up now hidden normal faults.

Outside the margins of the salar the oldest unit is Plio-Pleistocene sheet sands and coarse gravels, representing talus slopes eroded from the bounding ranges. The salar margins are comprised of finer grained sands and silts with abundant disseminated and interbedded calcite and gypsum, considered to represent playa facies.

Marginal alluvial fans and fan delta

To the north and southwest a fan-delta and alluvial fans enter the salar and interdigitate with the salar sediments at depth. The Rosario fan-delta has a lower gradient and is more extensive than the alluvial fans, covering an area of 60 km² at the surface, although gravity surveys conducted for freshwater resource evaluation suggest it may be more extensive at depth.



Geological map of the Olaroz area. (Source: Houston, 2011)

I, II, III – Salar Nucleus, IV – Marginal Alluvial Fan, 2 - Rosario fan-delta, 4 – Talus alluvial wedge

Basin Development

The Salar de Olaroz originated as a fault bounded, closed basin during the late Paleogene to Early Neogene, which subsequently during much of the Miocene, appears to have been slowly filled by coarse to medium grained talus slope and alluvial fan deposits eroded from the adjacent mountain ranges. As the basin was filled the detritus became progressively finer grained, deposited in braid-plain, sand-flat, playa and fluvial regimes as observed in the Upper Miocene and Pliocene. A progressively more arid climate during the Pliocene led to the first appearance of evaporitic deposits. Normal faulting probably produced additional subsidence during this time.

Three major depositional cycles are interpreted to have occurred, presumably in what is largely the Pleistocene to Holocene which represents shallow, largely freshwater conditions in the salar, interfingering with associated alluvial fan and fan-delta deposits the south and north of the salar respectively.



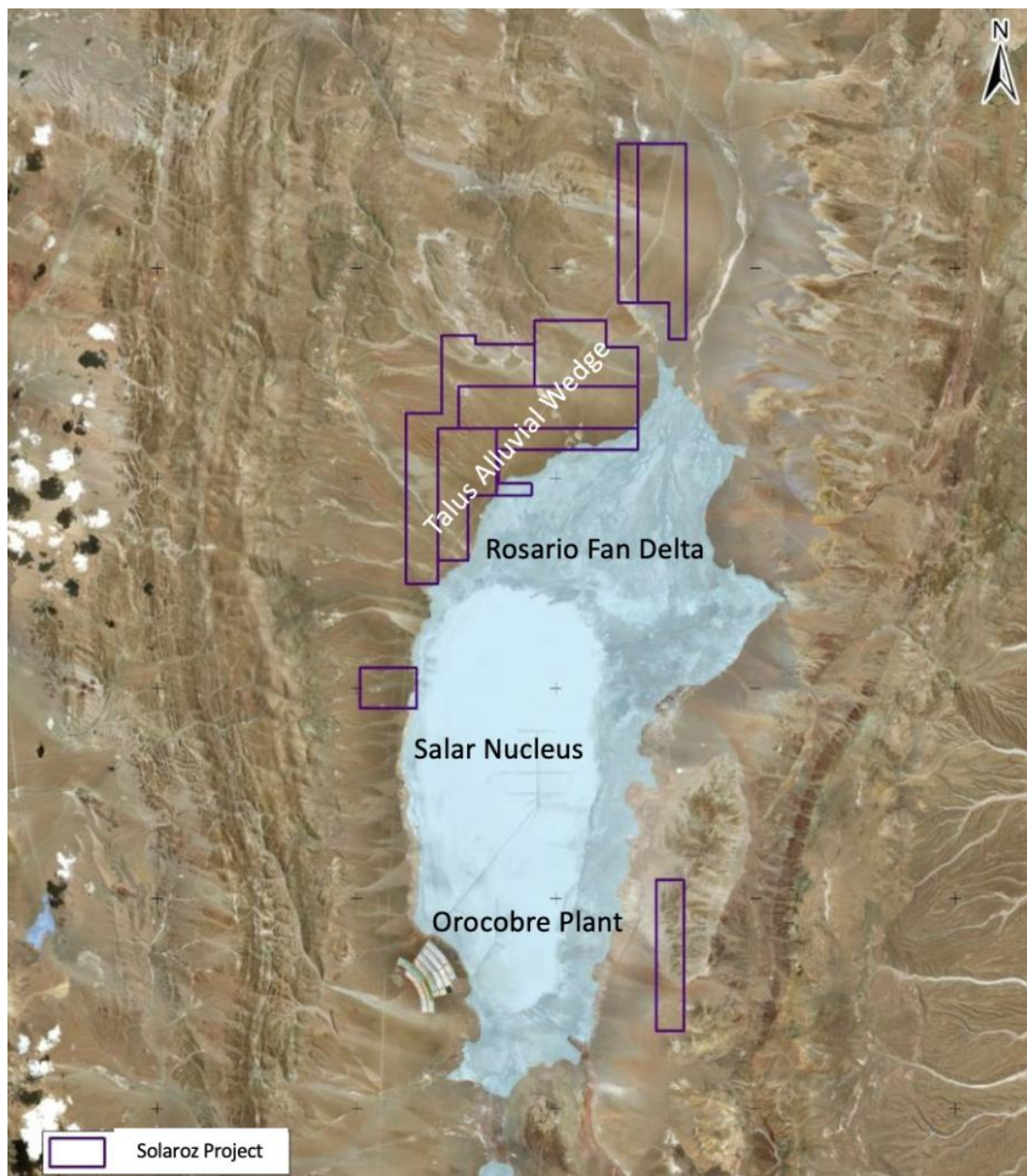
Salar nucleus and marginal zones (Source: Houston, 2011)

Aquifers and Aquitards

The sequence within the salar basin represent a multi-aquifer system. The rapid alternation of beds and laminae within each unit, suggests that on a large scale (hundreds of metres to kilometres) the sequence is relatively homogeneous and isotropic, supported by pumping tests that show no evidence of semi-confined conditions nor of significant anisotropy. In addition, head data from drilling suggests the units are in hydraulic contact with each other.

Porosity is dependent upon lithology, and as the lithologies are highly variable, with sand-silt-clay mixes spanning the full spectrum of possibilities, it is only possible to discriminate the dominant lithology. Consequently, the porosity of sand dominant, or clay dominant lithologies occupy a wide range with considerable overlap, with decreasing porosities and increasing specific yield (the quantity of water which a unit volume of aquifer, after being saturated, will yield by gravity), in the following order - clay dominant → Silt & sand-clay mixes → sand dominant → halite dominant. Porosity distribution in each Unit reflects the dominant lithology across the unit. Over the 200 m depth range tested by drilling, there is also no significant depth-porosity relationship due to the lithology control.

Permeability- Pumping tests show consistent values of permeability for the sediments, with higher rates of 1 to 2 metres/day in fine grained sand aquifers and lower ~0.15 m/d in silts.



Solaroz Tenements in the Salar de Olaroz Basin (Source: Strike 2019)

Tenements overly the talus wedge to the northwest of the Rosario Fan Delta



Northern Salaroz Project area with Orocobre Operations (looking south)

Previous Exploration

An Argentine government agency carried out sampling of brines from Puna salars, in 1970. This investigation involved a geological and geomorphic evaluation and limited sampling of salars for Li, K, and other elements. The Olaroz and Cauchari salars were amongst the highest lithium values in this investigation with values of 0.09 % Li and 0.56% K at Olaroz, and 0.092% Li and 0.52% K at Cauchari.

The Company's Salaroz Project area has been explored by regional mapping and interpretation of the results obtained by Orocobre Ltd over the Salar de Olaroz extended into the adjacent tenement. The area is covered by talus deposits that prevent direct access to the salar sediments and deep drilling is required to test the lithium brine exploration concept.

Orocobre Ltd – Salar de Olaroz

Orocobre Ltd ('Orocobre') undertook pit sampling of the Salar de Olaroz on a variable grid in 2008, to evaluate lithium concentrations and the superficial salar geology. The results of the pitting program confirmed similar values to the earlier work. Orocobre completed twenty-two HQ3 diamond core holes (1496.3 m).

The surface of the salar was considered to show typical zoning, with deposition of carbonates on the margins of the salar. Gypsum is deposited further towards the centre, with halite forming a central zone. At depth, the Salar de Olaroz consists of bedded fluvial and lacustrine sediments that comprise gravels, sands, silts, and clays interbedded with evaporites (primarily halite, with minor sulphates and ulexite).

The drill logs were interpreted to show a near-surface halite layer. Beneath the halite unit is a zone of mixed clays, sands, and silts down to around 45-60 m below the surface. The underlying units showed a significant change being more consolidated, with higher clay content.

An investigation program was developed in 2009 by Orocobre to enable all relevant aspects of the salar, the host aquifer, its specific yield, brine chemistry, permeability, and water balance to be evaluated. The program consisted of the following elements:

- Satellite image interpretation to assist with geological mapping, surface hydrology and evaporation zonation.
- Surface geophysics to evaluate the geometry of the basin and brine body.
- Sonic drilling twenty wells to 54 m depth to investigate the geology and obtain core and brine samples.
- Triple tube diamond drilling six wells to 197 m depth to investigate the geology and obtain core and brine samples.
- Core logging of geology and testing for porosity parameters.
- Geophysical logging to support lithological characterization, correlation, and porosity evaluation.
- Brine sampling and analysis to determine chemistry and concentration.
- Pumping tests of up to five months duration to investigate flow conditions, determine aquifer properties, and to confirm the ability of wells to produce stable grades.
- Off-salar well drilling, water sampling and monitoring to assist with the analysis of the water balance and production forecasting.

Orocobre undertook both gravity and audio-magnetotelluric (AMT) surveys at various sections across the Salar de Olaroz. The objective of the gravity survey was to obtain first order estimates of the geometry and depth of the basin, and if possible, to establish the main sedimentary sequences within the basin. The objective for the AMT surveys was to define the limits of the brine body hosted in the basin sediments, and to define the brine-fresh water interface. Twenty-six km of gravity profiling and thirty-four km of AMT were conducted in 2009.

Gravity techniques measure the local value of the acceleration, which after correction, can be used to detect variations of the gravitational field on the earth's surface that may then be attributed to the density distribution in the subsurface. Since different rock types have different densities, it is possible to infer the likely subsurface structure and lithology, although various combinations of thickness and density can result in the same measured density; a problem known as non-uniqueness.

AMT measures temporary variations in the electromagnetic field caused by electrical storms (high frequencies >1 Hz), and the interaction between the solar wind and the terrestrial magnetic field (low frequencies <1 Hz), which allows variations in the electrical subsurface to depths of 2 km or more.

Brine body

The brine body expands considerably with depth in the north where it is unconstrained in the sediments of the Rosario fan-delta. Elsewhere the margin is much steeper, probably as a result of reduced permeability in the eastern and western margins, inhibiting movement at depth.

Drilling and Related Activities (Orocobre Ltd)

The sonic drilling program involved sampling of 20 boreholes to a depth of 55 m. Sonic technology utilizes high-frequency vibration generated by a highly specialized sonic oscillator, which creates vibration known as "resonance". The resonance is transferred to the drill pipe, which reduces friction and allows the drill bit at the pipe end to penetrate the formation with minimal disturbance. The rig used was a track mounted 300C ATV Sonic Rig with associated support equipment.

Six diamond drill holes were drilled to an average 200 m depth, for a total of 1,204 m drilled. In 2011, Orocobre defined a measured and indicated resource of 1,752 million cubic metres of brine at 690 mg/L lithium, 5,730 mg/L potassium and 1,050 mg/L boron at the Olaroz Project, which is equivalent to 6.4 million tonnes of lithium carbonate and 19.3 million tonnes of potash (potassium chloride) based on 5.32 tonnes of lithium carbonate being equivalent to 1 tonne of lithium and 1.91 tonnes of potash being equivalent to one tonne of potassium.

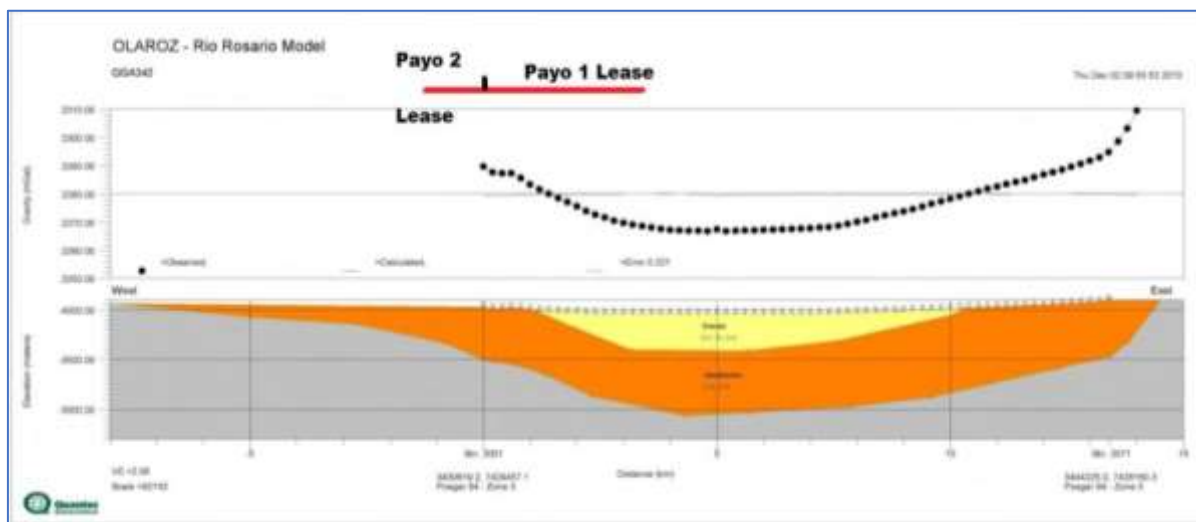
The Mineral Resources are not included in the Solaroz Project held by the Company. They are included here to demonstrate the style of mineralisation to be expected in the Company's area of interest. Details of the Resource Estimate are included in Huston 2011 and reported in Orocobre's Annual Report 2020.

Drilling by Orocobre of production bore P302 intersected a thick sand unit >100m thick, beneath the current brine resource. This unit was also intersected in an earlier 300m hole P301, 1 kilometre north. Geological interpretation suggests this sand unit may be continuous beneath a significant area of the salar.

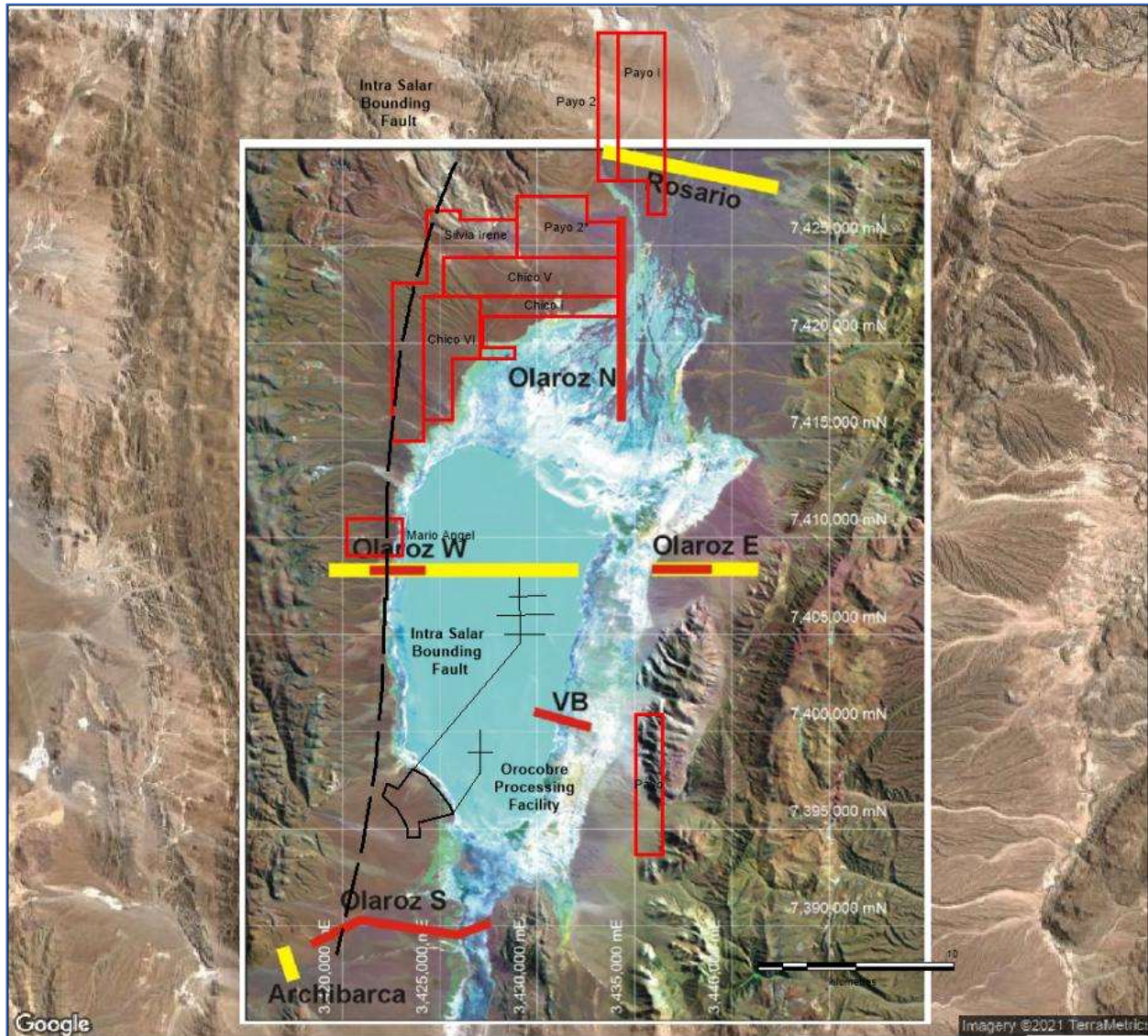
The P302 and P301 results indicate the thick sand sequence may extend laterally beneath much of the defined brine resource in Salar de Olaroz and also to greater depths. Sands of this type have free draining porosity of between 20 and 25% based on previous testwork (as compared to the average free draining porosity of 10% used in the Orocobre Resource statement), and the sand unit could hold significant volumes of lithium-bearing brine which could be added to the resource base by future drilling. In addition, due to the thickness of the sand, any production bore drilled into this unit will be high yielding compared to bores only in the top 200m. If the thick, porous sand aquifer extends into the Solaroz Project then it becomes an obvious area of interest for LEL.

Geophysical Studies – Compilations 2019 - 2021

Orocobre have carried out a series of geophysical surveys, namely Gravity and Audio-magnetotelluric (AMT) over various locations. The data has been compiled by Yoda Consulting Pty Ltd, a consulting company associated with Executive Director of the Company, Peter Smith, in relation to the Solaroz Tenements.

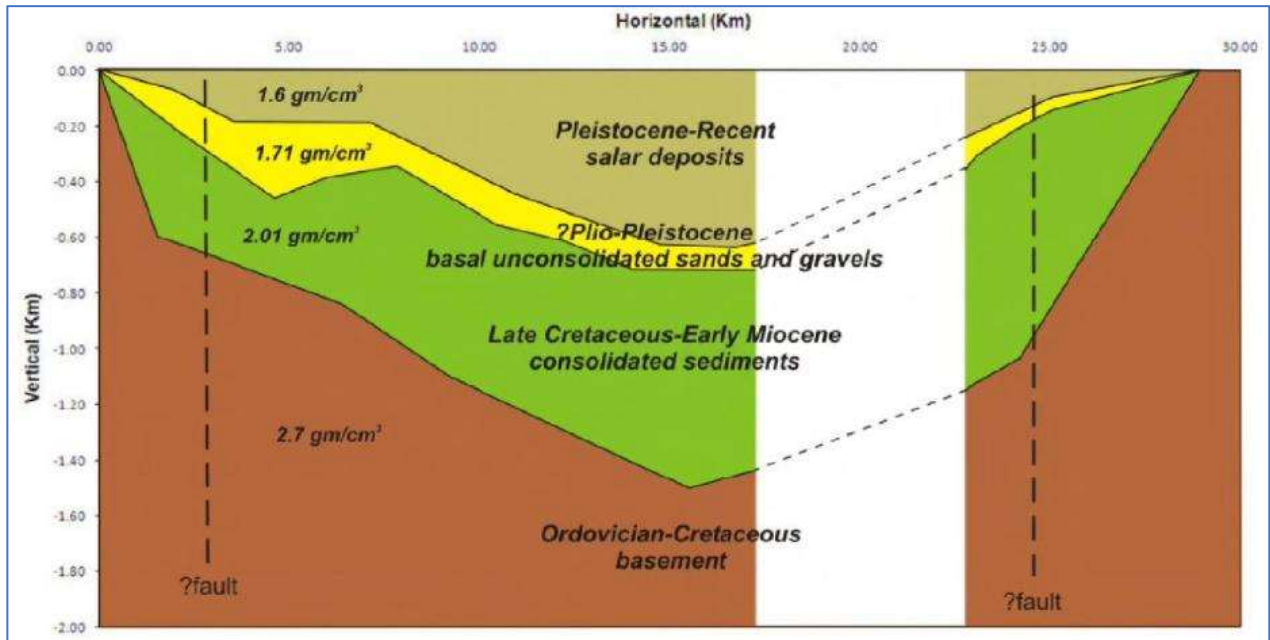


The Olaroz West and East Gravity Profile indicates a 4-layer model of 600-700m for the main salar, including extensions of the proposed deep sandstone aquifer under the talus fans on the edge of the main outcropping brines.

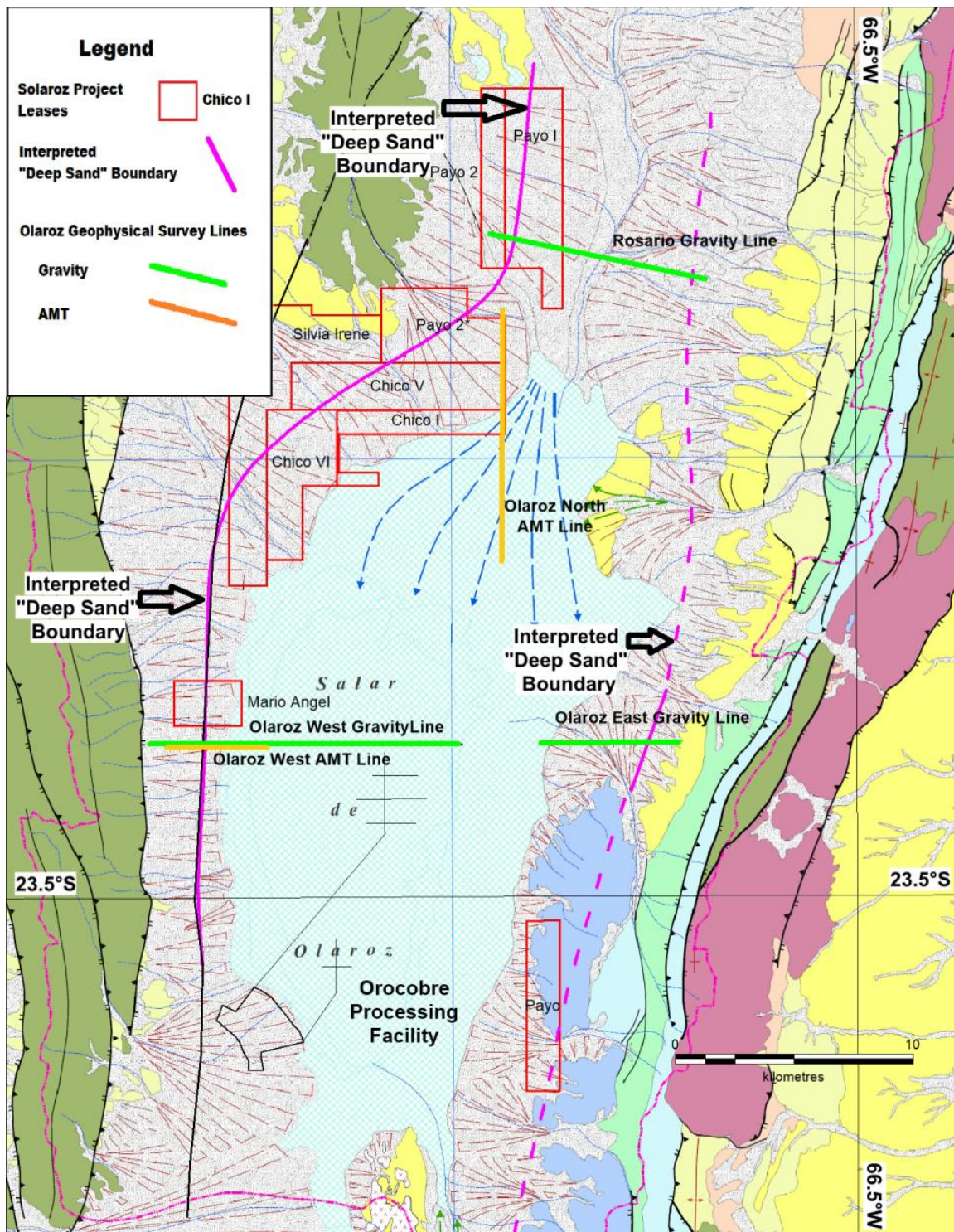


Location of the gravity traverses (yellow) and AMT lines (red) (Source: Smith 2019)

The Olaroz AMT surveys show conductive brines beneath the Rosario Delta area and indicate that conductive brines are present beneath the dry talus fan.



Gravity data interpretation for Salar de Olaroz (Source: Smith 2019)



Detailed Geological setting showing Solaroz Tenements (Source: Smith 2019)

Exploration Potential

The Salar de Olaroz Basin was formed with the uplift approximately 14 million years ago of volcanic mountains to the North and South, effectively forming a closed basin within an existing drainage system. Sediments collected in this closed basin over time and alluvial deposits gradually filled up the basin with porous material, which today hosts the lithium-rich brines.

The Salar de Olaroz is one of a number of land locked salt lakes located high up in the Argentinian Puna Region. The Salar de Olaroz Basin is bounded by a pair of north-south reverse faults that thrust Andes Palaeozoic sediment west to east as a result of the Pacific Plate colliding with the South American Plate. This results in the west side of the basin being continually pushed higher which replenishes the sediment fill within the basin.

The geological interpretation indicates that the majority of the Solaroz Tenements are likely to lie directly over the productive lithium rich aquifer within the 'Deep Sand Unit'. Geophysical studies undertaken by Orocobre indicate that the sub-surface brine hosting aquifers appear to extend well outside the boundaries of the visible salt area and to depth and adds evidence supporting the likelihood of lithium rich brine hosted beneath the Solaroz Tenements.

Mineralisation

The Salar de Olaroz brine body is reasonably homogeneous, extending throughout the salar nucleus at the surface, but expanding considerably with depth in the north where it is unconstrained in the sediments of the Rosario fan-delta and similarly to the south in the Archibarca marginal alluvial fan. To the east and west, the margins are much steeper and more abrupt, probably as a result of reduced permeability in the silt and clay rich eastern and western margins and faulted basin margins, inhibiting movement.

The chemistry of the brine suggests that it was formed by the evaporation of inflowing dilute waters of only one type that initially saturate in and precipitate calcite, followed by gypsum. Halite saturation is only just reached at the highest brine concentrations, but lithium and potassium continue to concentrate demonstrating that these species remain in solution and do not precipitate as solid phase minerals.

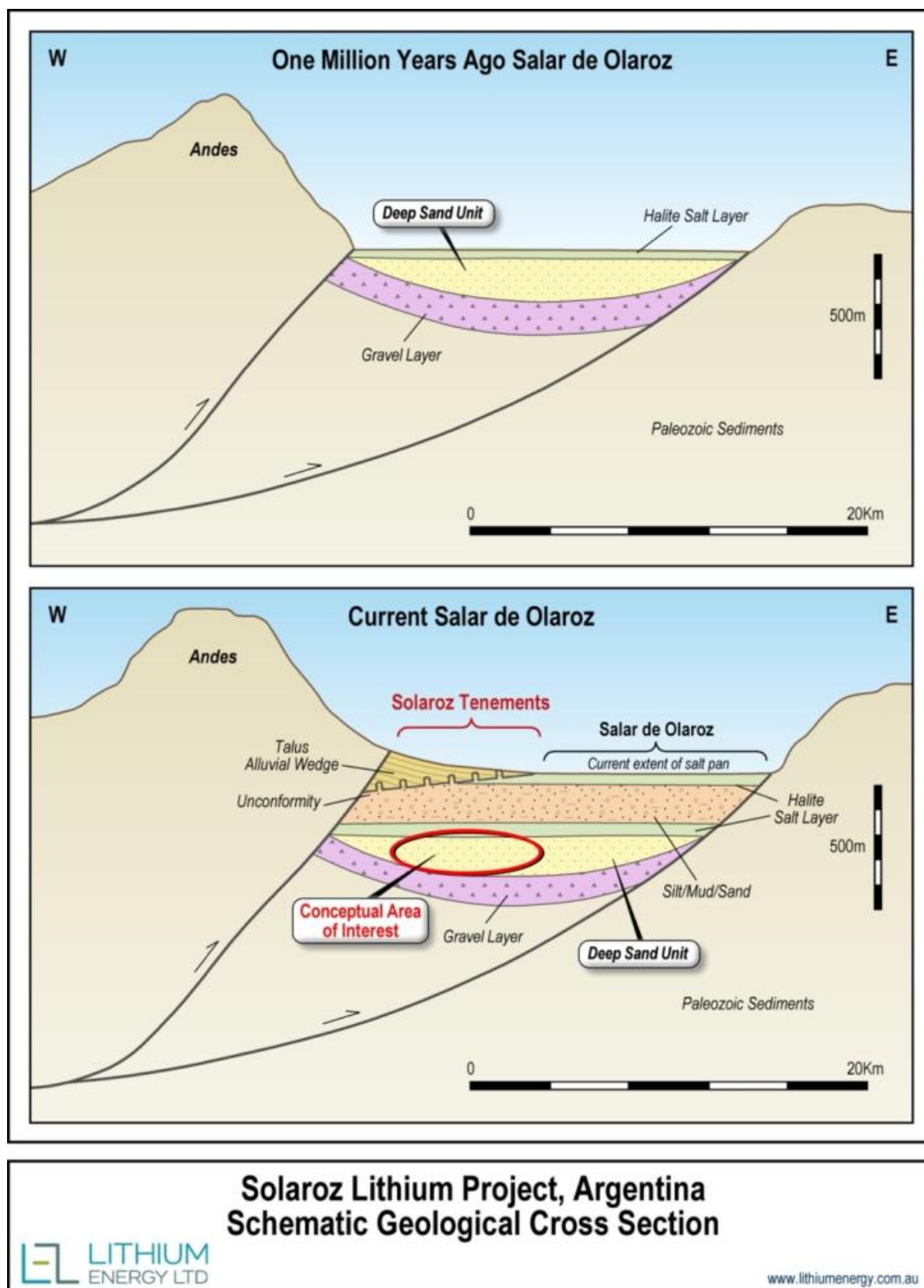
Within the salar nucleus, the mean concentrations are 690 mg/L Li, 5730 mg/L K, and 1050 mg/L B. Peak values exceed 1000 mg/L Li, 8000 mg/L K and 1200 mg/L B. Values of this order for Li, K and B are present throughout the salar. The lower tested interval from 54 to 197 m depth tends to have 13 to 36% higher concentrations, with less variation than the upper interval from 0 to 54 m, although the Mg:Li and SO₄:Li ratios remain similar for both intervals.

Lithium Brine Exploration Concept

The Solaroz Tenements lie over the same Salar de Olaroz Basin from which Orocobre is extracting and processing lithium rich brine for sale as lithium carbonate since 2015. The Solaroz Tenements follow and overlap into the visible white halite salt layer of the Salar and extend as substantial flat areas with 1 to 2 metres of elevation to the visible halite area, providing the ideal location and topography for the construction of evaporation ponds.

LEL's interpretation of the basin architecture is that the aquifer which supplies the lithium-rich brine being extracted by Orocobre (and targeted by other exploration and development companies in the area) extends to the west under the Talus Alluvial Wedge and the Solaroz Tenements.

LEL's lithium brine exploration concept is that the alluvial deposits beneath the Solaroz Tenements have been deposited relatively recently and include the productive deep sand unit of the lithium rich aquifer from which Orocobre is extracting its brine. There has been limited exploration apart from geophysical survey that tends to confirm the presence of the sand unit.



Geological cross section of the Olaroz Salar Basin and LEL's exploration concept zone for lithium brines beneath the Talus Alluvial Wedge (Source: LEL)

Proposed Exploration Program

The location of the Solaroz Project is considered to be prospective for concentrations of lithium-rich brine. The aquifer which supplies the lithium-rich brine being extracted by Orocobre is likely to extend under the Company's Solaroz Tenements. This will be tested by geophysical work and drilling with a view to fast tracking production of lithium carbonate dependent upon these works being successfully concluded.

An Environmental Impact Assessment (EIA) Report for exploration work at Solaroz was completed in July 2019 and included results from collection and monitoring baseline environmental data and a detailed proposed fieldwork program covering 2 years of proposed exploration activity. Following a period of consultation with local community groups, the EIA Report was submitted to the Jujuy Mining Authority (the provincial authority responsible for approving exploration and mining activities at Solaroz). The EIA Report is currently being reviewed with the time frame extended as a consequence of COVID-19 pandemic issues in Argentina.

The EIA included:

- Environmental Information: Location of the Project; geomorphological units; weather description of the area; hydrological bodies in the area; depth of groundwater; water destination; soil use and destination; identification of Protected Areas; sites with historical, cultural, archaeological, or paleontological value.
- Description of the Fieldwork: Objective of the exploration works; access to the Project; fieldwork that will be developed; camp and facilities; number of employees; water source, quality, and consumption; energy, type, and use; chemicals, fuels, and lubricants.
- Environmental Impact: Environmental impact of exploration works to geomorphology, water, soil, flora, fauna, and the sociocultural environment.
- Environmental Prevention and Mitigation: Measurement and, where applicable, prevention and mitigation of any environmental impacts.

Proposed field work program

Based on the project's early exploration stage, the following activities will be aimed at locating potentially lithium bearing brines of economic interest, and obtain preliminary information related to the hydrogeological and geochemical characteristics of the aquifer.

- Detailed and systematic shallow brine sampling campaign. This campaign must be completed during adequate weather conditions, with trenches/holes at least 10 m in depth.
- Geophysics surveys using Vertical Electrical Sounding (VES), along transversal sections in the salar. Each VES needs to be planned to reach at least 300-400 m depth to define the presence and distribution of underground brines and define the morphology of the basin basement.
- A gravity survey to obtain a preliminary assessment of the basin basement morphology and thickness of the hydrogeological units that have the potential to contain brines of economic interest.
- A preliminary exploration drilling campaign based on the results from previous work. Three RC holes are recommended to assess the distribution and geochemistry of the brine, and two additional diamond drill holes are recommended to obtain data related to basic physical parameters of the different hydrogeological units.

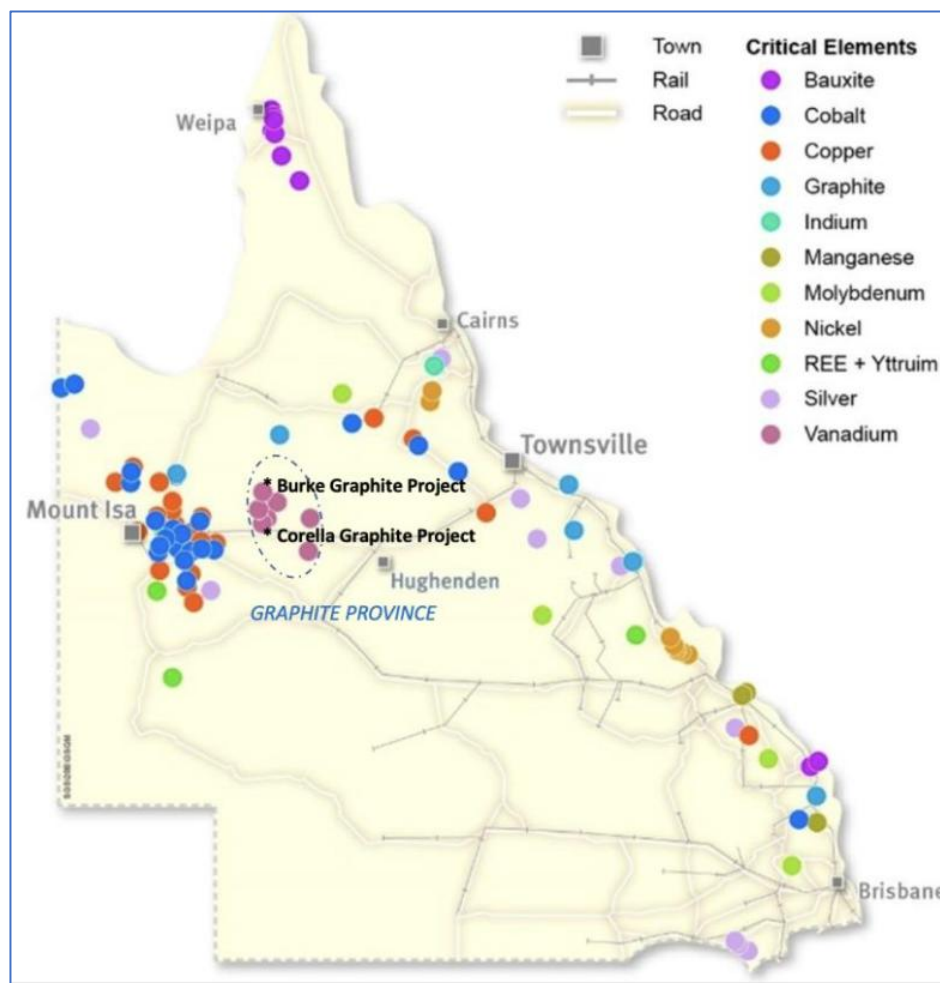
BURKE GRAPHITE PROJECT, QUEENSLAND (LEL 100%)

Burke Graphite Project includes two Exploration Permits for Minerals (“EPM”). Burke EPM 25443 is well located 125 km north of Cloncurry in northwest Queensland, Australia, in an established graphite mining province adjacent to the Mount Dromedary Graphite Deposit. It is adjacent to a sealed highway (the Burke Development Road) that runs south to the mining town of Cloncurry and north to the port town of Karumba.

Graphite mineralisation is hosted by graphitic schist as a sub-unit of the Corella Formation within the Mary Kathleen Group and is of Proterozoic age. The graphitic schists within the Burke EPM 25443 tenement are intruded by the Black Mountain gabbro and sills with subsequent metamorphism to amphibolite grade during the Isan Orogeny.

The Mount Dromedary Graphite Deposit (held by Novonix Ltd) was explored and mapped previously in the 1970s and 1990s, and more recently by Graphitecorp since 2014. With average graphite grades exceeding 15%, mineral exploration has identified and confirmed flake graphite mineralization hosted in schist and slate, outcropping over a 3,000m strike-length, with thicknesses in excess of 30m and up-to 240m.

The Corella EPM 25696 is located 40 km west of Cloncurry near the Flinders Highway that links Mount Isa to Townsville. The tenement also covers a sequence of mapped graphitic schists within the Corella Formation which have been intruded by gabbro dykes and sills and with subsequent metamorphism to amphibolite grade during the Isan Orogeny.



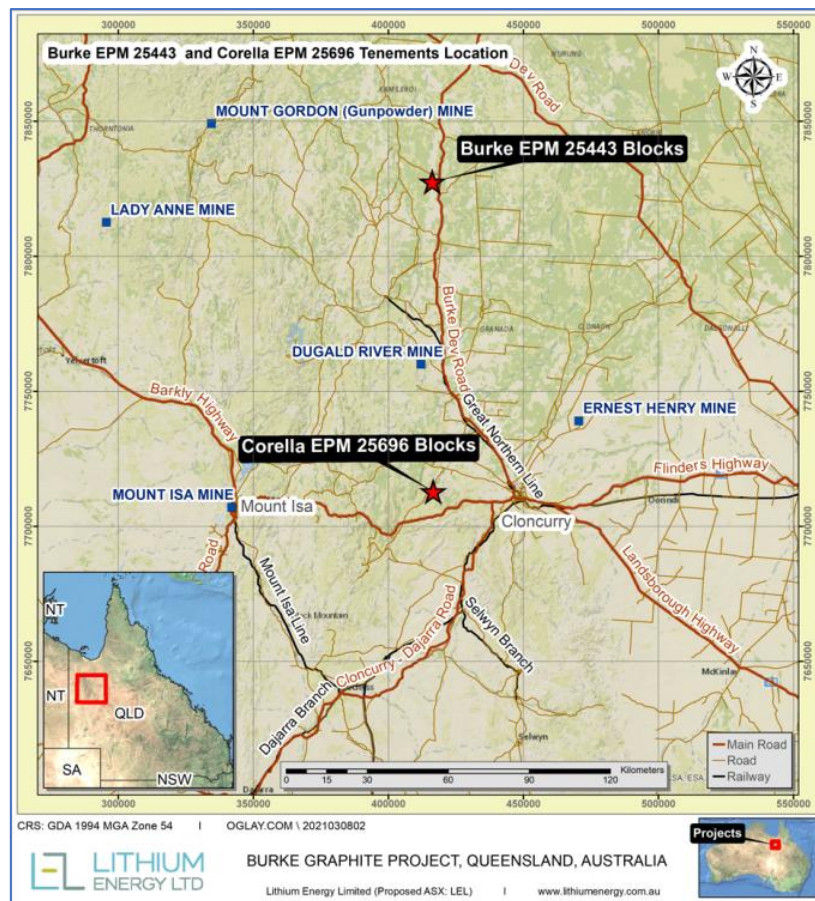
Location of the Burke Graphite Project

In 2017, Strike secured a 60% interest in the Burke Graphite Project immediately adjacent to the Mt Dromedary Graphite Project. In 2021 Strike's interest in the Burke Graphite Project was transferred to LEL that acquired the outstanding minority interests in the Burke Graphite Project subject to satisfactory completion of the IPO of the Company.

The Burke Graphite Project is accessed by well-developed transport infrastructure with an airport at Mt Isa (~122km) and a port in Townsville (~783km).

The Project lies in the Southern Gulf region, with the local area consisting of low-lying undulating terrain developed around a north-south striking ridge that rises up to 100-150 m elevation above the surrounding flat-lying flood plain. Shallow incised, intermittent streams either drain in a north-easterly direction into Dismal Creek or north-westerly into the Leichhardt River. Extensive flood conditions can develop in the drainage systems from cyclonic weather influences in the Gulf.

The nearest semi-permanent water is located in waterholes on the Leichhardt River at Gleeson Homestead. Several water bores with tanks and troughs provide potable water for cattle all year round.



Burke Graphite Project Tenement Location in North Central Queensland

Burke EPM 25443 was granted on 4 September 2014 and expires on 3 September 2024. It currently covers 6.44 square kilometres in two sub-blocks. The tenement is held by wholly owned subsidiary Burke Minerals Pty Ltd and is immediately adjacent to the Mt Dromedary Graphite Project, that is considered to be one of highest-grade flake graphite deposits and is being developed by Novonix Limited (formerly Graphitecorp Limited) (ASX: NVX).

Corella EPM 25696 was granted on 2 April 2015 and expires on 1 April 2025. It currently covers 19.32 square kilometres in six sub-blocks. The tenement is held by Burke Minerals Pty Ltd which, after the completion of the Prospectus Issue, will be a wholly owned subsidiary of the Company.

The status of tenure has been independently verified by Agricola (VALMIN 7.2) by reference to *business.qld.gov.au* and reviewed in the Solicitor's Tenement Report by Squire, Patton, Boggs, 2021.

Regional Geology

Mt Dromedary including the Burke Graphite Deposit lies in the northern sector of the Quamby-Malbon Belt region of the Eastern Succession domain of the Proterozoic Mount Isa Inlier. The Mount Isa Inlier is dominated by Early to Middle Proterozoic metasedimentary units with bimodal rhyolitic and basaltic meta-volcanic rocks, gabbro, dolerite and widespread I-type and A-type granitoids.

An early history of basement formation and deformation was followed by several episodes of intra-craton rifting, accompanied by the development of a series of super-basins and the deposition of the Eastern Succession sequences. The Eastern Succession is divided into the western Mary Kathleen Fold Belt, and eastern Cloncurry District, separated by the Pilgrim Fault. Another major, north-northwest trending, deep seated structure, the regional Cloncurry Fault, bisects the eastern sector of the Cloncurry District.

Graphite mineralisation is hosted within a graphitic schist unit, part of the Corella Formation package and a unit of the Proterozoic Mary Kathleen Group. The Mary Kathleen Group lies within the Boomarra Horst, in the northern sector of the Quamby-Malbon Belt of the Eastern Succession terrane, Mount Isa Inlier in northwest Queensland. The Mount Isa Inlier is dominated by Early to Middle Proterozoic metasedimentary units with bimodal rhyolitic and basaltic meta-volcanic rocks, gabbro, dolerite and widespread I-type and A-type granitoids.

Graphite schist at Mount Dromedary, adjacent to the Burke Graphite Project, has a known strike length of at least 3km with variable width from 35m to 350m. The graphite schist is soft, friable, dark grey-jet black coloured and fine grained. The schist displays a strong foliation defined by flakes of graphite and fine white muscovite mica, along with grains of calcite, quartz and minor iron oxide staining, probably after minor sulphide. Coarse in situ flake graphite occurs within en-echelon tension gash calcite-siderite veins and quartz- calcite-graphite stockwork veinlets. The graphitic schist contains generally between 10 and 35% graphite composed of 10-850µm sized flakes of graphite and 10-300µm size tablets of muscovite (10-20%) set in an interstitial matrix composed of <0.1mm anhedral quartz grains (10%) and calcite (20- 45%).

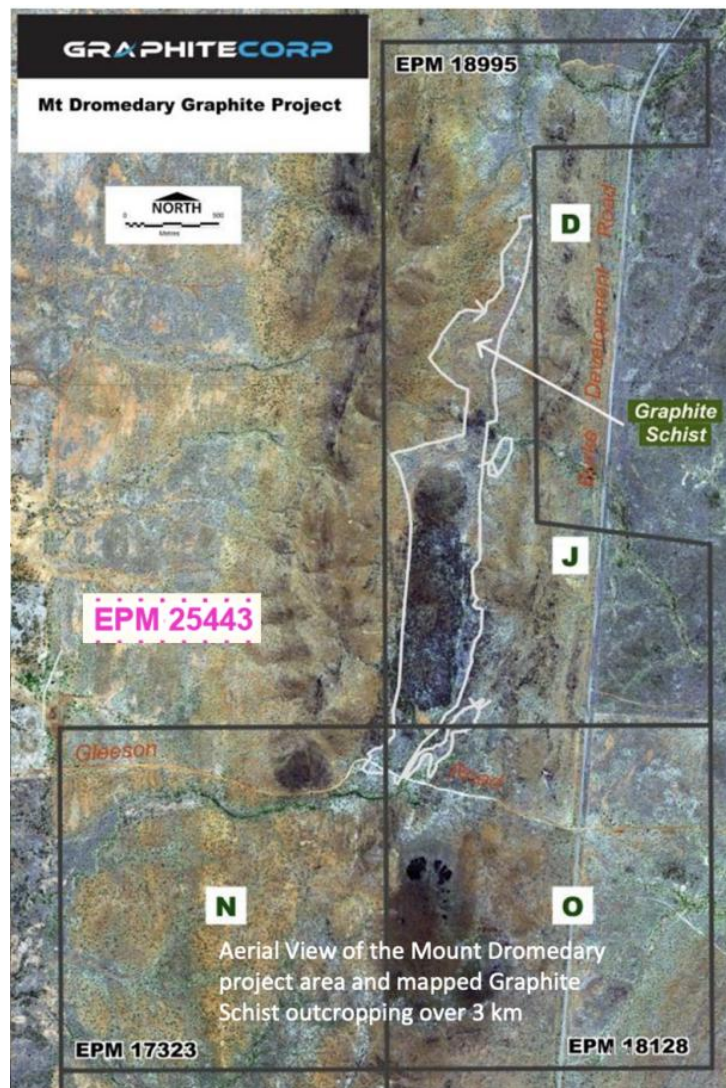
Novonix Limited: Mount Dromedary Flake Graphite Deposit Overview

The Mt Dromedary Graphite Deposit is not included in the Company's Burke Graphite project. It is adjacent to Burke EPM 25443 and included here to demonstrate the style of mineralisation located within the Burke Graphite Project.

The Mount Dromedary Graphite Project is a high-grade (18%+TGC) natural graphite deposit outcropping at surface over a 3km strike length and located in an established mining region in Australia next to quality transport infrastructure and international ports.

From drilling approximately 30% of the known mapped deposit, the project has a total JORC Mineral Resource Estimate to 1.908 Million tonnes of contained graphite and a Measured and Indicated Resource containing 1.316 Million tonnes of graphite. (Source: Graphitecorp, 2012)

Extensive metallurgical testing has determined suitability for producing export grade concentrate. A preliminary design for a concentrator has been completed.



Mount Dromedary Graphite Project (Source: Graphitecorp Presentation 2016)

Deposit Geology

Corella Formation

The Graphitic Schist is part of the Corella Formation package, a unit of the Proterozoic Mary Kathleen Group which, in the Mt Dromedary area, lies within the Boomarra Horst, in the northern sector of the Quamby-Malbon Belt of the Eastern Succession terrane, Mount Isa Block in northwest Queensland.

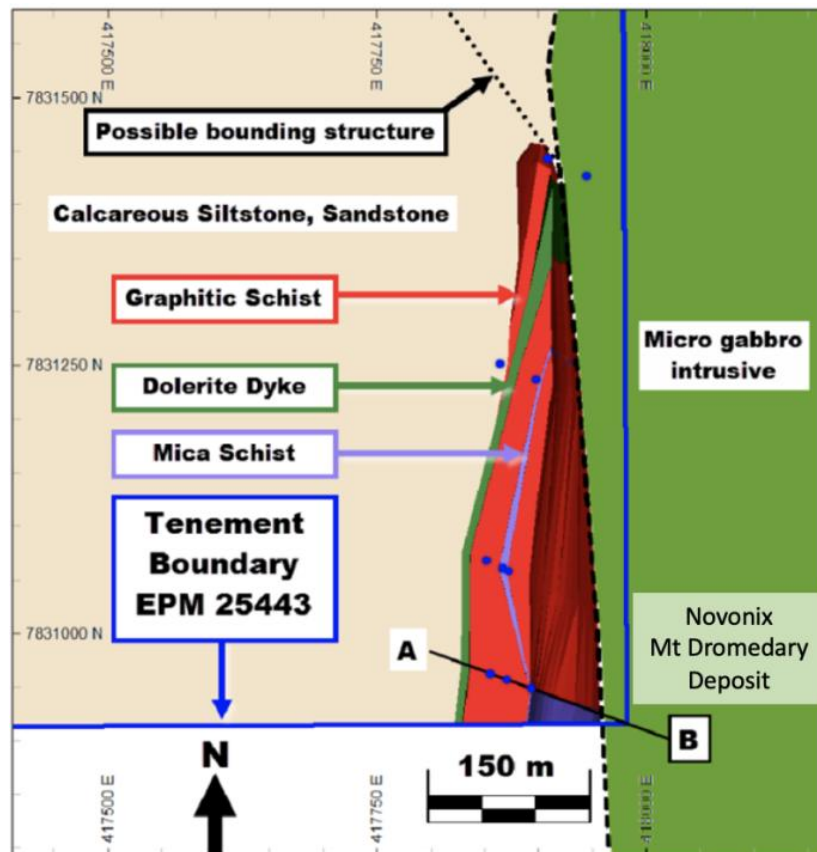
The carbonate-dominated sedimentation of the Corella Formation was preceded by bimodal igneous activity, with the locus of bimodal volcanism migrating from west to east with time. The Corella Formation is essentially a platform succession comprising thin-bedded calcareous sandstone, siltstone, impure limestone and dolomite, marble, carbonate breccias, minor quartzose sandstone, black shale, together with localized basalt pillow lavas and dolerite-amphibolite sills.

The Black Mountain gabbro, dolerite sills and dykes intruded the Corella Formation about 1685-1640 Ma (Butera, 2008). Some of these mafic intrusions may have been syn-depositional or early diagenesis but were probably emplaced before lithification of the host sediments.

The rocks of the Corella Formation have subsequently been metamorphosed to amphibolite grade facies during the Isan Orogeny between 1600–1580 Ma. The prevailing metamorphic conditions are likely to have been medium-high pressure and medium-high temperature conditions.

In the Mt Dromedary area on the southern boundary of Burke EPM 25443 these relationships are apparent in the lithologies mapped with:

- Early-stage felsic lava from the bi-modal suite represented by quartz-alkali feldspar/dacite lava which forms part of the ridge over the Mt Dromedary mountain range. The unit strikes north south, dipping steeply to the west.
- Banded Iron Formation Chemical Sediment (“BIF”) is the most extensive unit mapped in Mt Dromedary, where they typically form prominent dark brown resistive outcrops that can be easily seen in the hilly terrain. Bedding trends observed in satellite imagery within the BIFs are the same as those in the surrounding lithologies. However, closer inspection reveals the geological contact with the underlying felsic lavas looks dis-conformable. Similarly, the contact with the overlying marble breccias also appears to be dis-conformable.
- On Mt Dromedary, the BIFs form the core of a tight north-south striking antiform, which plunges both to the north and south. Using the high-resolution satellite imagery, these BIFs can be readily mapped and traced out as laterally very extensive individual beds with large open folds. The BIFs also form a folded synform to the east of Mt Dromedary, into which the overlying marble, siltstone, limestones and graphitic schists have deposited.
- Calc-Silicate / Feldspathic Arenite is typically well bedded and forms prominent dark grey outcrops. The geological contact with the underlying felsic dacite lavas appears to be dis-conformable. Similarly, the contact with the overlying marble breccias also appears to be dis-conformable.
- Dolomitic & Pyroxene Marble overlies the calc-silicate and is 30-100m thick.
- Conformably overlying the marble unit is a thin sequence comprising grey coloured Slate, Carbonaceous Siltstone and Black Shale. The sequence strikes north-south, dipping moderate-steeply to the west. Soft sediment laminations and occasionally deformation are evident in hand specimen. Total elemental carbon is around 16 to 20%. The inorganic carbon component of around 7% is attributable to carbon-rich clays. This fine-grained sedimentary unit probably represents the onset of the rift sag phase of basin development in the Corella Formation. The rocks are consistent with a near- shore lagoonal depositional environment.
- Conformably overlying the siltstone and black shale unit are grey coloured, impure limestones and black carbonaceous limestones. They also form thin discontinuous lenses interbedded within the graphite schist. The limestone outcrops are recessive and typically poorly exposed. Light grey coloured stromatolite microbial mat structures were observed in grey impure limestones.
- Graphite Schist forms a distinct mappable unit at Mt Dromedary that can be traced over a strike length of at least 3 km on the adjacent tenement. Its outcrop pattern is dictated by being in the core of the Corella Formation synclinorium (complexly folded core of a larger synclinal structure) with discordant intrusive and fault contacts.
- Outcrops of chlorite-muscovite-biotite schist overly the main graphite schist unit. These schists are in proximity to the high strain zone, adjacent to the metadolerite sill and quartz vein filled fault zone. The schists have undergone intense leaching to produce a bleached cream-white fine grained powdery residue.



Graphitic schist with cross section A-B. Drill collars are blue dots. (Source: Strike 2017e)

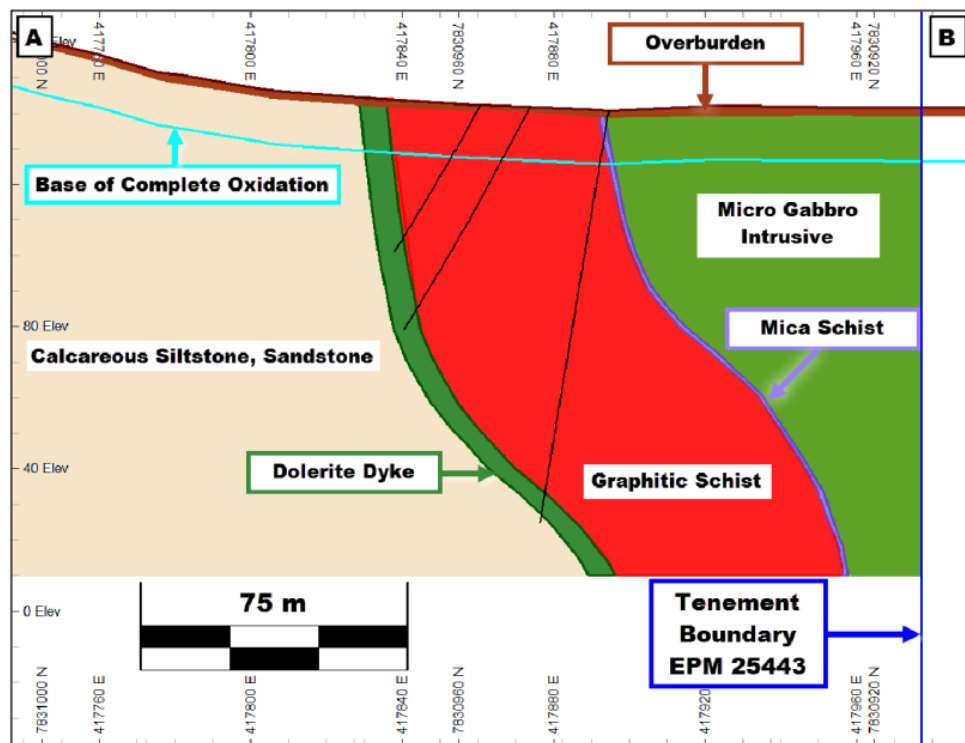
Graphitic Schist

Graphite schist forms a distinct mappable unit and can be traced over a strike length of at least 500m within the project tenure with variable width up to 100m. The unit dips consistently to the west, although there are local variations due to interference from orthogonal wrench fault structures.

The graphitic schist is underlain by calcareous siltstone and overlain by mica schist. The western margin of the graphitic schist is marked by a fault boundary contact with a dolerite sill. West of the fault contact, dolerite is evident as boulder scree and outcrop, with occasional zones of muscovite schist observed. The schist tends to bifurcate into narrow zones of high-strain graphitic material, which flows around the dolerite sill/intrusive.

Graphitic schist is typically recessive and contains discontinuous interbeds or pods of dirty impure micritic limestone, microbiolite stromatolites and black carbonaceous limestone. Concentric ameboidal oolitic carbonates are also observed, indicating contemporaneous biological activity in the original depositional environment. Occasional coarser-grained layers are observed and are suggestive of an arenaceous sandstone precursor.

Coarse flake graphite occurs within *en-echelon* tension gash calcite-siderite veins and quartz-calcite-graphite stockwork veinlets. Brecciation is also commonly observed.



Schematic cross section A-B through deposit. (Source: Strike 2017e)

Gabbro, Meta-dolerite and Amphibolite

A coarse-grained basic gabbro intrusion forms a prominent hill at Black Mountain, with distinct rounded black boulders clearly evident on the northern slopes. The Black Mountain intrusion may have differentiated into separate gabbro and diorite phases, as the morphology of the feature is variable on satellite imagery.

A series of smaller meta-dolerite/gabbro/diorite outcrops occur to the north of Black Mountain and lie immediately adjacent to the graphite schist beds. These outcrops are not marked on the government geological maps. The dolerite may be related to the Black Mountain gabbro. It is believed to have been emplaced as a sill along the contact between the black shale horizon and the underlying calc-silicate. Graphite schist is capped by the dolerite and is exposed in a probable fault-bounded synform. It is possible the dolerite sill is genetically and temporarily related to the thermal graphitisation of original organic-rich carbonaceous matter accumulated in a trough on a limestone shelf.

Amphibolite bodies are conformable with the metasediments of the Corella formation.

Quartz-Calcite-Graphite Veins

Quartz-calcite veinlet stockworks are variably developed in the graphite schist unit, but mainly found in the Southern Zone. In some areas, these veinlets can constitute up to about 20% of the graphitic schist. The veins pre-date foliation and have been rotated into rough parallelism with it.

A late phase of white veinlets cuts across the earlier main vein phase at right angles and is composed entirely of calcite. These calcite veinlets are post-deformation.

Tertiary – Quaternary Cover

A thin veneer of residual Tertiary ferruginous duricrust and red-brown soils with quartz gravels and sands cap the Proterozoic rocks east of the Mt Dromedary mountain range. These unconsolidated sediments represent colluvial and outwash deposits.

The area west and east of Mt Dromedary consists of Tertiary - Quaternary floodplains of the Leichhardt and Cloncurry Rivers that flow into the Gulf of Carpentaria. Alluvial cracking clay soils are developed over the underlying Cretaceous sediments. The relatively good soil fertility results from run-on water, sediments and nutrients from regular wet season flooding.

Structure

Major structural features of the area are the Boomarra Horst; a north-south orientated elongate structure, situated in the northern sector of the Eastern Fold Belt. It is bounded by the north-south striking Coolullah Fault in the west and the subparallel Boomarra Fault in the east. It is highly likely the Coolullah Fault is a major crustal fault structure, as it is coincidental with the Leichhardt Gravity Ridge feature and forms the western margin of the Boomarra Horst. The Coolullah Fault can be traced over 120km to the south, until it is terminated against the north-northeast striking Pilgrim Fault/Quamby Fault Zone. It is possible the eastern margin of the Boomarra Horst, formed by the Boomarra Fault, is the northern extension of the Cloncurry Fault Lineament.

There are a series of subparallel north-northeast and north-south trending antiforms and synforms axes at Mt Dromedary. The folds are doubly plunging with the axis direction resulting from reverse-thrusting effects from a north-northeast striking fault. Structures and textures observed in the graphite schist include rootless folds and streaky banding S-C planes, which indicate highly ductile flow shearing. Clots of coarse graphite occupy en-echelon tension gashes. Granular graphite forms stockworks throughout the schist. These stockworks are associated with a silica-sericite selvage and finely disseminated pyrite.

The Mt Dromedary Graphitic Schist is interpreted to have originally formed in a narrow intra-horst graben rift within the Boomarra Horst. Growth faults on the basin margins opened up the sub-basin to shallow marine incursion and sediment influx. This is consistent with the thin discontinuous impure limestone and dolomite lenses, evaporite mud flats, algal mats and localised coarsening of the sequence to arenites and siltstones formed in a shallow marine-lagoonal depositional setting which is described above. It is possible the growth faults and wrench fault structures have not only controlled sedimentation but also the intrusion of the mafic gabbro plug intrusion at Black Mountain. Similarly, emplacement of related mafic dolerite sills has taken place along the western bounding fault margin of the Mount Dromedary Graben.

Flake Graphite Mineralisation

The main unit of economic interest is the Graphite Schist of the Corella Formation. Graphite mineralisation also occurs in the thin slate, carbonaceous siltstone and black shale unit and the impure limestones and black carbonaceous limestones underlying the main Graphite Schist unit of the Corella Formation, but this is unlikely to have economic significance.

Geometry and Extent of Mineralisation

Graphite schist at Mt Dromedary has a known strike length of at least 3,000 m with variable width from 35 m to 350 m. The unit appears to dip consistently to the west at 35-80 degrees. The depth extension will be controlled by orientation of sub-surface faults and folds. It is expected depending on the interpreted geometry to be over 100m except in instances of fold closures.

The western margin of the graphitic schist is marked by a fault boundary contact with dolerite sill. The fault is infilled by a 2-3m wide milky buff quartz vein, which displays pinch-and-swell characteristics. The eastern margin is a conformable to disconformable margin to slate or limestone. The graphitic schist typically contains discontinuous interbeds or pods of dirty impure micritic limestone, microbiolite stromatolites and black carbonaceous limestone. Occasional coarser-grained layers are observed and are suggestive of an arenaceous sandstone precursor.

Nature of Mineralisation

In hand specimen, the graphite schist is soft, friable, dark grey-jet black coloured and fine grained. The schist displays a strong foliation defined by flakes of graphite and fine white muscovite mica, along with grains of calcite, quartz and minor iron oxide staining, probably after minor sulphide. Coarse flake graphite occurs within en-echelon tension gash calcite-siderite veins and quartz-calcite-graphite stockwork veinlets. Brecciation is also commonly observed. The carbonate veining appears to be better developed and more intense in the Southern Zone in particular.

The graphitic schist contains generally between 10 and 28% graphite (within all samples to date), composed of 10-850µm sized flakes of graphite and 10-300µm size tablets of muscovite (10-20%) set in an interstitial matrix composed of <0.1mm anhedral quartz grains (10%) and calcite (20-45%). The platy minerals display a strong preferred orientation which is weakly crenulated. The rock is best described as graphite-muscovite-quartz- calcite schist.

The majority of graphite appears as flakes displaying cleavage, but a minor amount occurs as fine amorphous graphite that is mixed with clays. Over 95 % of the observed graphite can be considered flake graphite and less than 5% is classified as amorphous graphite. The graphite flakes display a clear preferential orientation along the foliations.

The graphite is euhedral, elongated and in reflected light cleavage can be observed. Graphite flakes vary in size from 10-800µm in length, with varied thickness. However, it is clearly bimodal in grain size distribution with a large proportion below 100µm.

The Mt Dromedary graphite deposit has a surface mean P50 value of 77.32µm, using the Maximum Diameter method from MLA but the mean value is misleading owing to the bimodal distribution. The average distribution shows that 12.6% of surface flake is jumbo and over 26% of the flake is in the medium, large and jumbo categories.

The graphite mineralisation is classified as *Very Fine* to *Fine Medium-Large Jumbo*

Graphite Mineralization Models

The abundant microbial mat and small columnar and conical stromatolite forms indicate locally prolific biological activity at the site of Mt Dromedary graphite mineralisation and the interbedded discontinuous micritic limestones are suggestive of an organic-rich mud environment with thin limestone beds. These features suggest the depositional environment was shallow water lagoonal. The geology suggests that the graphite precursor was organic-rich mudstones containing algae, in the form of microbialite algal and ameboidal mats.

It is possible hydrothermal fluids, associated with emplacement of the dolerite sills, interacted with the carbonaceous siltstones, micritic limestones, algal mats and organic-rich muds and generated primitive CO₂ and CH₄ gases and liquid hydrocarbons. It is also possible these hydrothermal fluids could also have initiated thermo-chemical sulphate reduction ("TSR") of the underlying evaporite sequence.

Graphite flake forms at a pressure of 75,000 psi (1GPa) and temperature of 750 °C and can only form in a reducing environment at these temperatures. Flake graphite is usually only found within high-temperature, high-pressure granulite metamorphic facies rocks. The high-temperature, medium-pressure type 'lower amphibolite' facies metamorphism experienced regionally by rocks of the Corella Formation during the Neoproterozoic would have been incapable of converting original carbon-rich sediments into graphite by the graphitization process. It is therefore considered the M2 Isan Orogeny event probably metamorphosed the original carbon at Mt Dromedary into graphite. This locally higher temperature and pressure could be related to the emplacement of the Black Mountain gabbro and dolerite sills.

Graphite is one of the three naturally occurring forms of the chemical element Carbon. The other two varieties are amorphous carbon (not to be confused with amorphous graphite) and diamond. Graphite may be synthetically produced or derived from natural sources. Graphite is widely distributed throughout the world, occurring in many types of igneous, sedimentary, and metamorphic rocks.

Graphite Product	Purity (%)	Mesh Size	Flake Size
Jumbo Flake	96 – 98%	+48	>300µm
Large Flake	94 – 97%	+80 – 48	177 - 300µm
Medium Flake	94 – 97%	+100 – 80	148 - 177µm
Small Flake	94 – 97%	+200 – 100	74 - 148µm
Amorphous	80 – 85%	-200	<74µm
Vein	+98%	NA	
Synthetic	99.95%		

Graphite Flake Size Terminology

Natural graphite generally occurs in one of three forms:

- Microcrystalline or amorphous
- Crystalline lump or vein
- Crystalline flake

Microcrystalline or amorphous type graphite is made up of aggregates of fine graphite crystals, which give the material a soft, black, earthy appearance. Quartzites, phyllites, metagreywackes and conglomerates usually host this material. Amorphous graphite is defined as being finer than 40 µm in diameter, but some trade statistics define the upper limit at 70 µm. Generally, the 40 – 70 µm is the limit of resolution of the human eye.

Crystalline lump or vein-type graphite is found as interlocking aggregates of coarse, and/or microcrystalline platy or, less commonly, acicular graphite. Igneous and metamorphic rocks, such as anorthosite, gneisses, schists, quartzite, and marble, are common hosts of the veins.

Crystalline flake-type graphite occurs as flat, plate-like crystals, with angular, rounded or irregular edges. Flakes are disseminated throughout paragneiss derived from carbon-rich sediments. Flake graphite size can vary considerably. For commercial purposes, flakes are classified in four categories:

Jumbo flakes may be further subdivided into jumbo and super-jumbo flakes (+1 mm).

Flake size has a strong impact on the value of an occurrence as larger flakes are more valuable than smaller ones. From an economic viewpoint, the most significant deposit types are the crystalline flake type and the lump/vein type.

[Previous Exploration](#)

[Exploration History](#)

No graphite production has previously occurred within the area. There is a rich mining history in the region commencing from the discovery of copper in the Cloncurry region by Ernest Henry during 1867.

The Mt Dromedary area has been covered by a variety of exploration permits held by various individuals and companies for different commodities since modern exploration commenced in 1966. During this period the majority of the exploration was for base metals however from the 1970s the graphite potential was recognised. Five trenches were excavated using a backhoe to expose graphite schist bedrock.

During the Nord Resources (Pacific) Pty Ltd (“Nord”) exploration in 1991-1999, a small synclinal basin surrounded by metamorphosed carbonaceous and calcareous rocks of the Corella Formation, situated east of Mt Dromedary and north of Black Mountain was mapped. The basin is fault-bounded and infilled by an extensive zone of graphitic schists and impure limestones. Nord collected rock chip samples from weathered graphite mineralized outcrops and submitted them for petrological examination and for preliminary flotation metallurgical appraisal.

Initial examination indicated that most of the graphite was <75µm in size and would therefore be classified as “amorphous” graphite. Because of the friable nature of the graphite schist host, the coarser flakes were assumed to break down during crushing and grinding liberation, prior to flotation processing. Further work was recommended to determine if a marketable graphite product could be produced. A further four 20kg rock chip samples were collected for preliminary “sighter” flotation metallurgical studies. Initial studies were very encouraging and indicated the samples contained 60-70% flake graphite (>75µm size) grading 14.5-20% TGC.

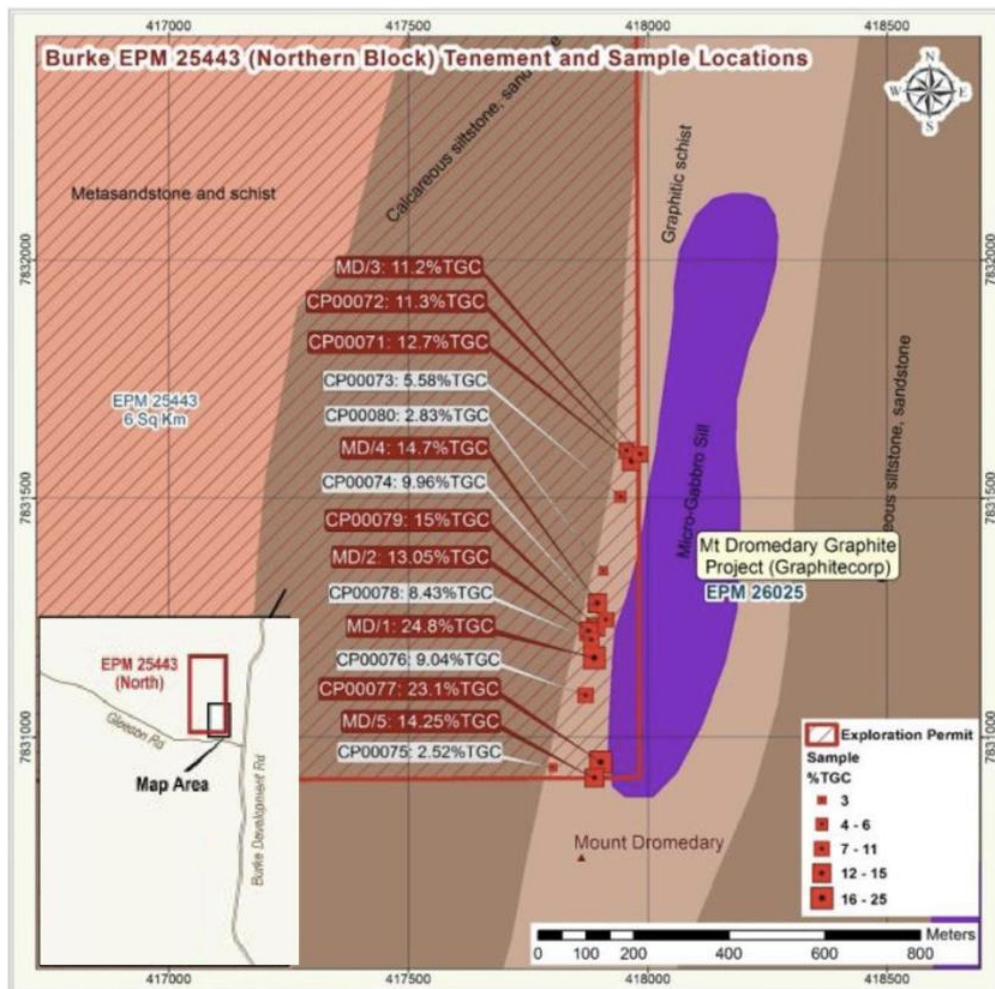
CRA Exploration Pty Ltd entered into the JV with Nord during 1993-1994 and investigated the graphite potential with the following work program:

- Geological mapping and rock chip sampling.
- Excavation of seven (7) costeans using a backhoe.
- Collection of eight (8) composited mineralogical samples from the costeans to represent the different styles and mineralogy of the graphite schist. These composited samples were submitted for evaluation.

The report indicated the graphitic schists have a high carbon content but was predominantly <75µm in size and was classified as “amorphous” graphite. Exploration activities for graphite ceased. This decision also coincided with a global drop in graphite prices, induced by China dumping graphite onto the global market from stockpiles which had been built up. China maintained reduced prices over a prolonged period, to the point where other producers could not compete. Existing South Korean and European producers were forced to close their mining operations and most went out of business.

Burke EPM 25443

Burke Minerals Pty Ltd carried out site traverses on the northern block of Burke EPM 25443 and collected nine outcrop samples of mineralised graphite schists (shown in red). Analysis for Total Graphitic Carbon (TGC) reported grades above 10% TGC with 23.1% TGC from Sample CP00077 and 24.8% TGC from sample MD/1.



Burke EPM 25443 and Sample Locations. (Source: Strike 2017b)

The graphitic schists which outcrop within the northern block extend ~1km NS with a maximum width of 130m. The 10 outcrop samples taken by Burke Minerals have comparable grades to those reported by Graphitecorp Ltd for samples from the Mt Dromedary project.

A reconnaissance traverse over the northern block of Burke EPM 25443 observed ~700m of mineralised graphitic schist discontinuous exposures trending N20W and the majority of the area under a thin scree/alluvial cover.

Six samples were collected from mineralised exposures at locations close to Burke Minerals' previous sample locations within Burke EPM 25443 (shown in white). The analyses compared well with the earlier samples obtained by Burke Minerals, confirming the high-grade continuity with some local variation. Results for the fifteen samples are shown on the plan.

Strike carried out detailed mapping on the northern block of Burke EPM 25443 and submitted samples of mineralised graphite schists to Townend Mineralogy Laboratory in Western Australia for thin section review to gauge the flake size of the graphite present within the graphitic schist.

The high-grade graphitic schists occur within an outcrop in the northern block and extend ~1km NS. The graphite flakes within the outcrop were found to have two distinct populations, being massive Large to Jumbo Flake sizes in samples with higher grade total graphite content (TGC) together with a fine amorphous to small flake ground mass. Flake sizes over 1,000µm are observed within the sampled petrography thin sections.

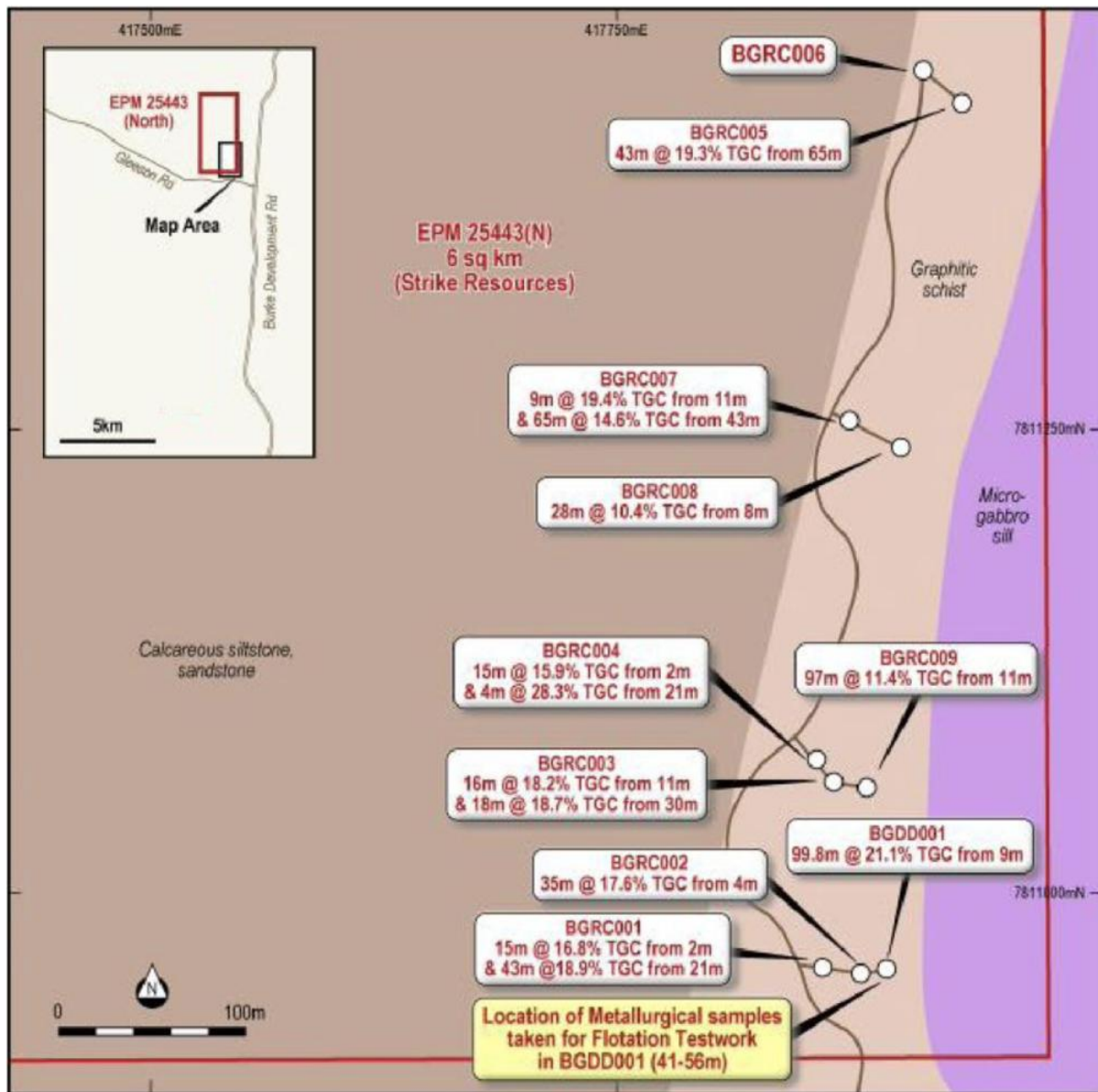
Maiden Drilling Program

A maiden drilling campaign was undertaken by Strike in 2017 to test the graphite mineralisation extension on Burke EPM 25443. Total metres drilled were 735.2m (618m in nine RC holes and 117.2m in one diamond core hole) spread across four cross-sections over a strike length of 500m.

Drilling confirmed the continuity of high grade (>10%) graphite mineralisation over 500m along strike in the NE-SW direction and confirmed the presence of extensive zones of very high-grade graphite mineralisation, commencing at surface and extending to at least 100m in depth. Intersections encountered include:

- BGRC001: 15m @ 16.8% TGC from 2m and 43m @ 18.9% TGC from 21m
- BGRC002: 35m @ 17.6% TGC from 4m
- BGRC003: 16m @ 18.2% TGC from 11m and 18m @ 18.7% TGC from 30m
- BGRC004: 15m @ 15.9% TGC from 2m, and 4m @ 28.3% TGC from 21m
- BGRC005: 43m @ 19.3% TGC from 65m
- BGRC007: 9m @ 19.4% TGC from 11m and 65m @ 14.6% TGC from 43m
- BGRC008: 28m @ 10.4% TGC from 8m
- BGRC009: 97m @ 11.4% TGC from 11m
- Diamond Core Hole BGDD001: 99.8 Metres @ 21.1% TGC from 9m

The results to date indicate wide, continuous high-grade graphite schists which from previous sampling have demonstrated large to jumbo flake size potential. The geometry of the mineralised zone and its occurrence from surface indicate potential for a low-cost open pit mining operation.



2017 Drilling, including location of core samples used for testwork. (Source: Strike 2017e)

Hole ID	East	North	Elevation	Inclination	Azimuth(Grid)	Final Depth
	GDA94-MGA Zone 54		AHD	Degrees	Degrees	Metres
BGRC001	417873.8	7830952.7	141.4	-60	289	72
BGRC002	417860.7	7830957.1	142.1	-60	288	48
BGRC003	417867.1	7831059.1	142.3	-60	293	54
BGRC004	417852.3	7831066.6	142.6	-60	297	30
BGRC005	417937.0	7831423.9	146.5	-60	286	108
BGRC006	417910.8	7831441.3	148.1	-60	104	24
BGRC007	417868.8	7831254.9	146.7	-60	110	108
BGRC008	417901.0	7831237.8	143.1	-60	112	66
BGRC009	417869.0	7831058.1	142.2	-60	114	108
BGDD001	417894.8	7830945.7	140.5	-80	286	117.2

Drillhole Collars for April/May 2017 Program

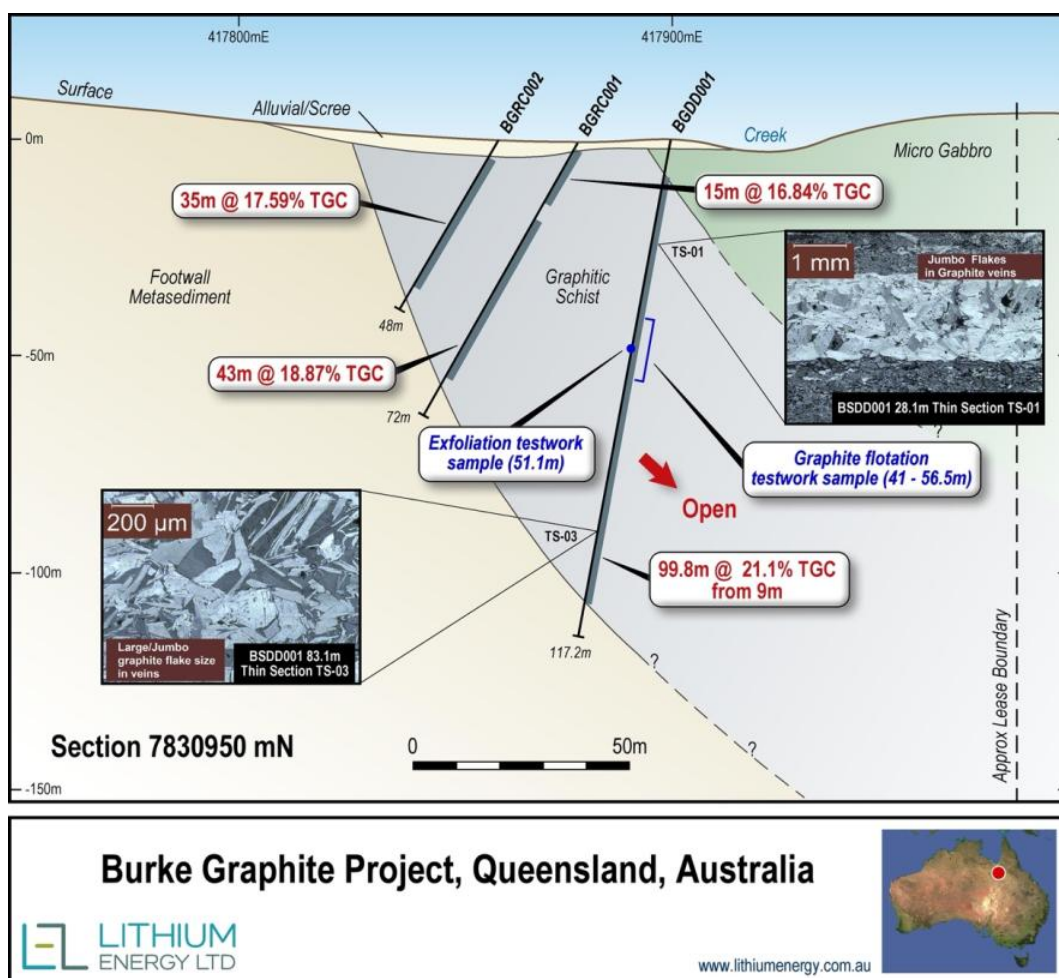
Drill Hole ID	FROM	TO	INTERSECTION	GRADE
	Metres	Metres	Metres	% TGC
BGRC001	2	17	15	16.8%
	21	64	43	18.9%
BGRC002	4	39	35	17.6%
BGRC003	11	27	16	18.2%
	30	48	18	18.7%
BGRC004	2	17	15	15.9%
	21	25	4	28.3%
BGRC005	65	108	43	19.3%
BGRC007	11	20	9	19.4%
	43	108	65	14.6%
BGRC008	8	36	28	10.4%
BGRC009	11	108	97	11.4%
BGDD001	9	108.8	99.8	21.1%

Notes:

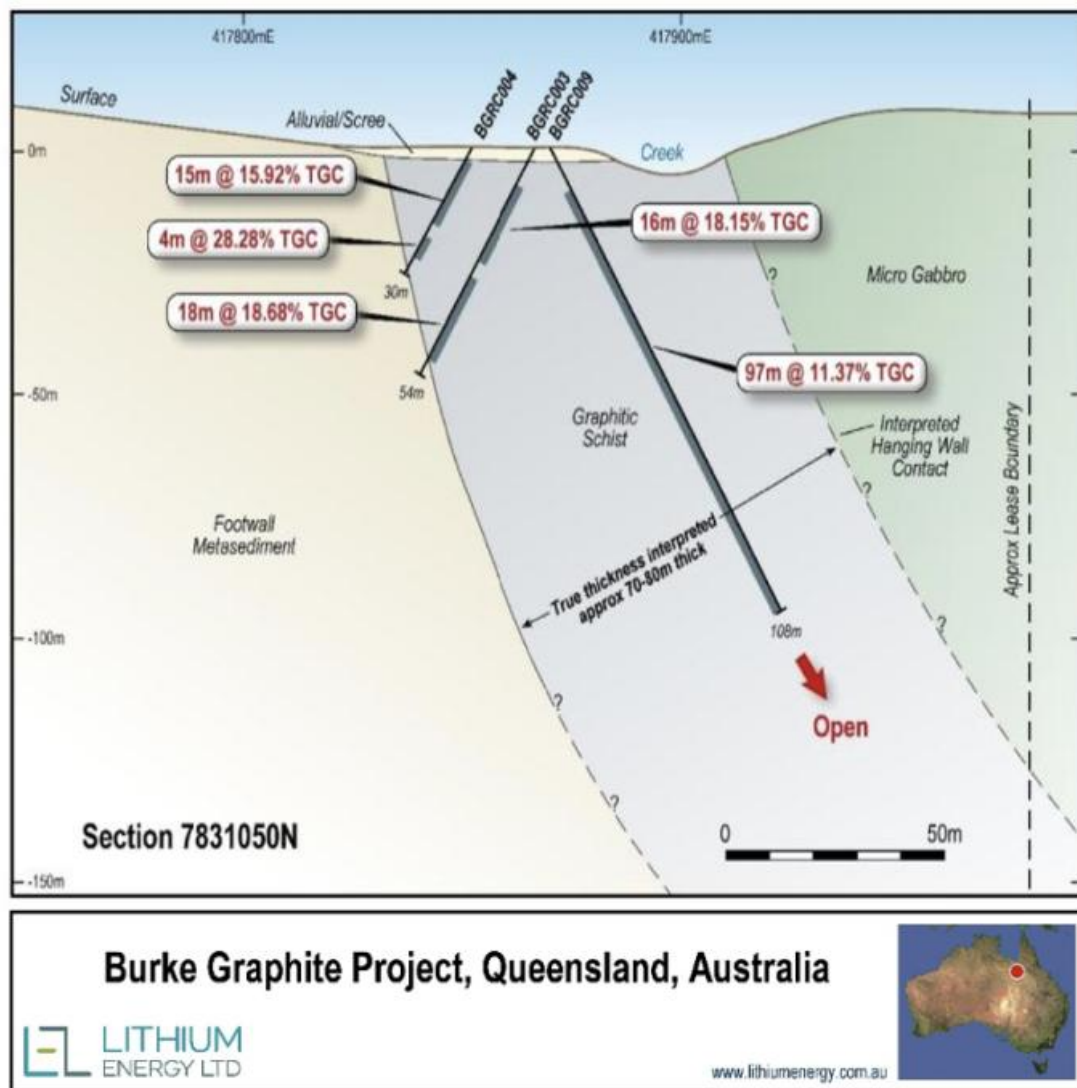
- Intersections reported only if greater than 2 metres width and 10% or higher TGC.
- Intersections greater than 10 metres width are seen as highly significant and shown as **bold** in table above.
- BG006 encountered graphite mineralisation, but below minimum 10% TGC reporting threshold.

Burke Graphite Project Drill Holes and Significant Intersections (Source: Strike 2017a – d)

All intercepts are down hole and may not represent true width.



Drillhole Cross Section 7830950N (Source: Strike 2017d)

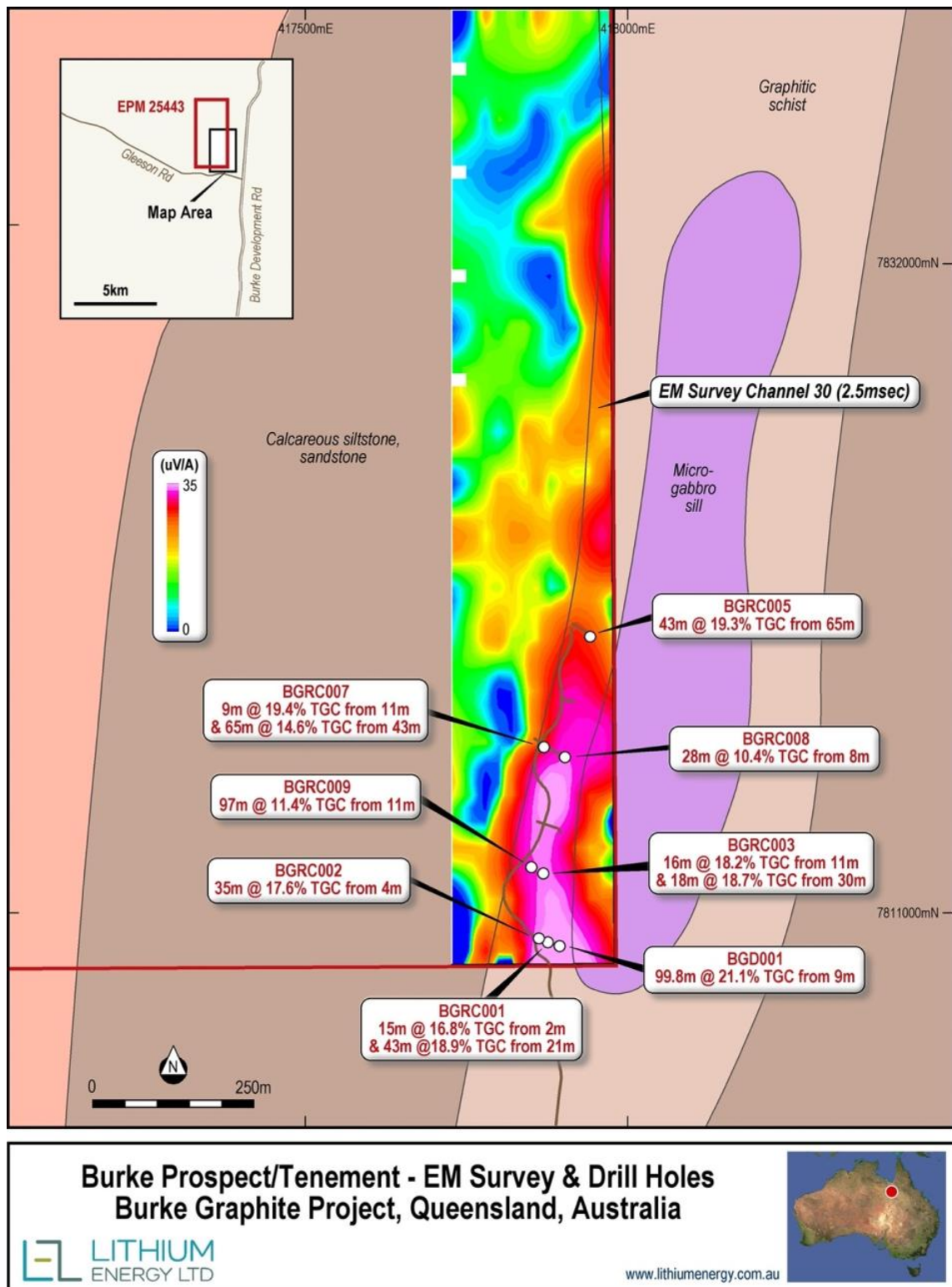


Drillhole Cross Section 7831050N. (Source: Strike 2017c)

The graphitic schist varies from a muscovite mica graphitic schist (lower grade) to a higher-grade graphitic schist which exhibits alternating soft-friable and compact medium-hard graphitic schist bands. Pyrite veins and disseminations are observed in both zones along with minor calcite in the upper zone.

Metallurgical test-work has confirmed that graphite is potentially suitable as anode material for use in lithium-ion electric vehicles (EV), grid storage batteries and for the production of Graphene.

A ground Electro Magnetic (EM) survey was completed in June 2018, covering the south-eastern corner of Burke tenement EPM 25443 (drilled by Strike in 2017) and Corella EPM 25696 (located ~20 km south of EPM 25443).



EM Survey and Drill Intercepts Burke EPM 25443 (Source: Strike 2018)

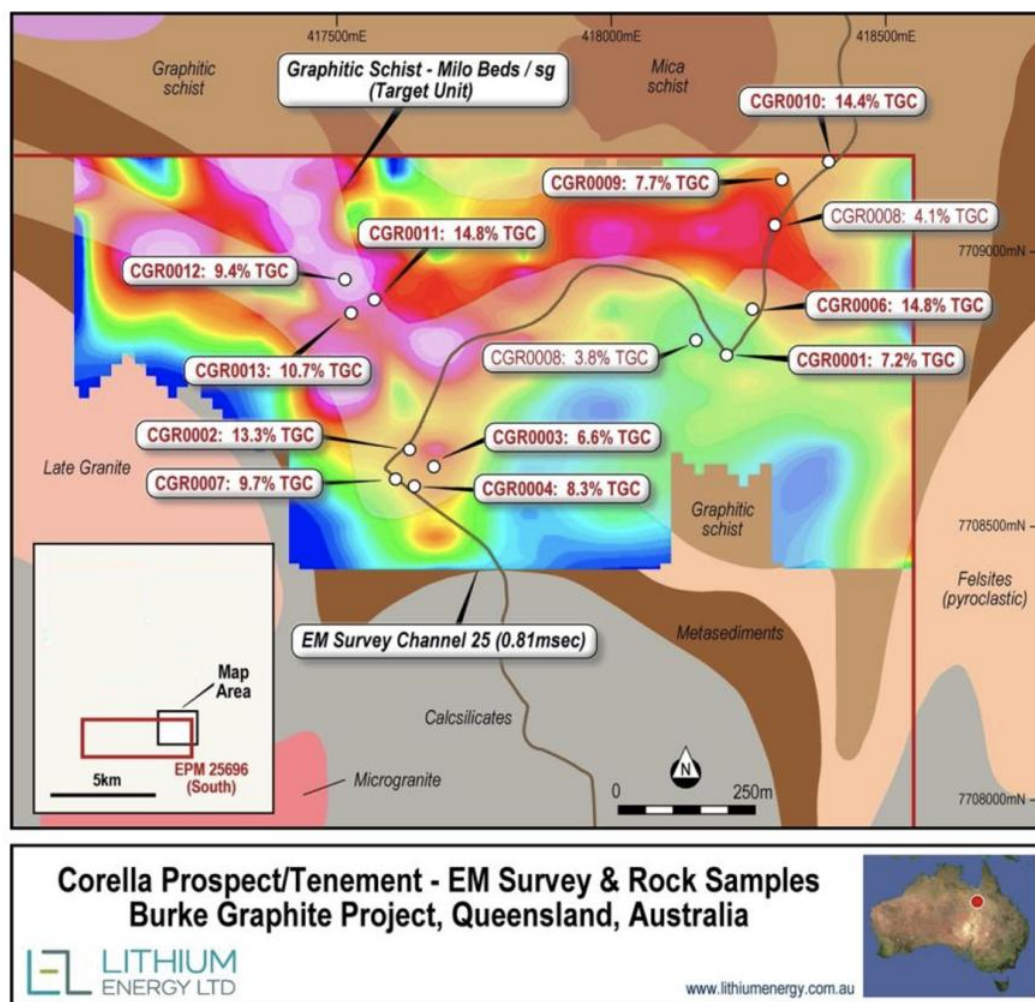
The EM survey over the south-eastern corner of Burke EPM 25443 was carried out over outcropping and sub- cropping Geological Survey of Queensland mapped Graphitic Schists of the Corella Formation. The survey highlighted the high-grade graphite identified in Strike's maiden drilling program and identified minor structural offsets, together with new zones of increased conductivity. In addition, the survey verified the width and dip of the drill intersected high-grade graphite.

Corella EPM 25696

A reconnaissance traverse over EPM 25696 observed extensive outcrops trending N500W to EW and 2 samples were collected along access track cuttings where the graphitic schists outcrops extended over 40m – analyses have returned lower grades of TGC% than encountered on Burke EPM 25443 and follow-up survey, mapping and sampling is planned to establish the strike and width extension and test mineralisation at depth.

Further follow-up mapping and sampling (13 rock chips) in Corella tenement EPM 25696 has established the widespread nature of the graphite mineralisation with five zones of higher-grade graphite content between 10.7% and 14.8 %TGC. Petrography work will be required to determine if the higher-grade zones within EPM 25696 contain Large Flake and/or Jumbo Flake graphite.

The Corella EPM 25696 also covers a sequence of mapped graphitic schists within the Corella Formation, which also have been intruded by gabbro dykes and sills, with subsequent metamorphism to amphibolite grade during the Isan Orogeny from 1600–1580 Ma. The style of mineralisation sought is crystalline graphite within the graphitic schists



EM Survey with sample locations and results - Corella EPM 25696, Burke Graphite Project (Source: Strike 2018)

An EM survey was carried out on the Corella EPM 25696 (north east corner) over outcropping and sub-cropping Geological Survey of Queensland mapped Graphitic Schists - the “Milo beds” - within the Corella Formation. Graphite grading 5 -10% TGC is widespread throughout the outcropping Milo beds and the EM survey was carried out to identify higher-grade areas of mineralisation and identify future drill areas. The survey highlighted an area of approximately 1000m x 500m within which

conductive features similar to those corresponding to high-grade graphite occurring at the Burke EPM 2543 tenement were identified.

The EM survey identified the Corella EPM 25696 as a significant area of interest for additional high-grade mineralisation as well as identifying new zones of increased conductivity adjacent to previously drilled graphite mineralisation at the Burke EPM 25443.

The conductive features identified at the Corella EPM 25696 appears to be shallow to flat-lying and occur in areas of outcropping and sub-cropping graphite that have rock chips (from previous sampling by Strike) of up to 14.85% TGC.

In addition to identifying the new potential the EM survey identified minor structural offsets, together with new zones of increased conductivity at the previously drilled Burke EPM 25443.

Maiden Inferred Mineral Resource (November 2017)

CSA Global Pty Ltd was engaged by Strike to complete a Mineral Resource Estimate for graphite mineralisation at the Project on Burke EPM 25443. Nine reverse circulation (RC) holes for 618 metres and one diamond hole for 117.2 metres had been drilled and assayed for graphite content at the Project.

An Inferred Mineral Resource Estimate was compiled for the Project with the following outcome:

- 6.3 million tonnes @ 16.0% Total Graphitic Carbon (TGC) for 1,000,000 tonnes of contained graphite
- Within the mineralisation envelope there is included higher grade material of 2.3 million tonnes @ 20.6% TGC (with a TGC cut-off grade of 18%) for 464,000 tonnes of contained graphite.

The Mineral Resource Estimate was released to the ASX on 13 November 2017 in the announcement titled "Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest Grade Natural Graphite Deposits" (Strike Resources Limited - ASX: SRK)

The model is reported from the >5% TGC graphitic schist mineralisation domain and classified as Inferred in accordance with the JORC Code, 2012. The results are presented in the following table.

Classification	Weathering State	Million Tonnes (Mt)	TGC (%)	Contained Graphite (Mt)	Density (t/m ³)
Inferred	Oxide	0.5	14.0	0.1	2.2
	Fresh	5.8	16.2	0.9	2.4
Inferred	Total Oxide + Fresh	6.3	16.0	1.0	2.4
Notes: The Mineral Resource was estimated within constraining wireframe solids defined above a nominal 5% TGC cut-off. The Mineral Resource is reported from all blocks within these wireframe solids. Differences may occur due to rounding.					

Burke Graphite Project Inferred Mineral Resource Estimate Results, 2017

The mineralisation has been extended to a nominal depth of 130 metres below topographic surface in the southern parts of the deposit, roughly 30 metres down dip of the drilling data. In the narrower northern part of the deposit, the mineralisation is extended to roughly 115 metres below surface or roughly 20 metres past drill data. Details of the Mineral Resource Estimate including JORC Table 1 are included in the 13 November 2017 ASX Release.

Material Information Summary

Geology and Geological Interpretation

The Mt Dromedary Graphite project held by Novonix was identified by previous exploration dating back to the 1970s and is hosted by a mapped graphitic schist as a subunit of the Corella Formation, within the Mary Kathleen Group, and is of Proterozoic age. The graphitic schists within EPM 25443 are intruded by the Black Mountain (1685–1640Ma) gabbro, and sills, with subsequent metamorphism to amphibolite grade during the Isan Orogeny from 1600– 1580 Ma. The style of mineralisation is crystalline graphite within the graphitic schists

Drilling Techniques

Diamond Drill Core - Kelly Drilling was contracted to undertake the diamond drilling and supplied a Longyear GK850. HQ Triple Tube Drill Core was selected as the optimum sampling method for drilling the graphite mineralised zones, to maximise recovery. The method minimises disturbance to core, limiting potential losses in drilling water. Drill core was oriented with a Reflex Act III orientation tool.

Reverse Circulation - Kelly Drilling of Cloncurry was contracted to undertake the reverse circulation drilling program in April 2017. Kelly Drilling supplied a Schramm RC rig. The reverse circulation hammer bit had a measured diameter of 123 mm. A larger diameter RC hammer was used to drill an initial pre-collar of 4 m in the soil-colluvium profile, which was then cased off using PVC pipe to avoid unconsolidated material falling behind the drill rods.

A combined cyclone and sample splitter unit was fitted to the side of the drill rig. The cyclone collected a 75% bulk sample in a big calico bag and a 25% sample in a small calico bag.

Sampling Techniques

Diamond Drill Core - Detailed geochemical sampling was routinely conducted on 1 m intervals of quarter-split Triple Tube HQ drill core. The Triple Tube Drill Core was initially split 50% using a diamond core saw cutting machine. Half-split core is being retained initially as a visual reference or for use as a bulk metallurgical sample.

The remaining half-core was then split 50% into quarter-core, again using a manual core saw. The quarter-split core was routinely submitted for geochemical analysis. Samples were analysed for %TGC by ALS method C-IR18 and for %TC by ALS method C-IR07. Sulphur was assayed for on drill core by ALS method S-IR08. The remaining quarter-split core was used as a metallurgical sample.

Selective petrological sampling of some lithological units identified in drill core was undertaken. These petrology samples are by necessity a small sample but were selected based on being “typical” of the lithological unit from which they were collected.

Reverse Circulation - Sampling of the RC drilling was completed via a cyclone with a splitter unit attached to the drill rig, with samples taken every 1 m. Samples were analysed for %TGC by ALS method C-IR18, and for %TC by ALS method C-IR07.

Mining and Metallurgical Factors or Assumptions

It has been assumed that these deposits will be amenable to open cut mining methods and are economic to exploit to the depths currently modelled using the cut-off grade applied. No assumptions regarding minimum mining widths and dilution have been made.

Petrographic examination of several core and outcrop samples showed that the graphite generally occurs as two distinct in situ populations. The major population is fine grained and generally forms discrete disseminated flakes around 30 to 100 microns in length, whereas a second population of flakes up to about 1 mm in length occurs in veinlets up to several mm in width.

An industry standard graphite flotation process was applied to core samples taken at a depth of 41.0–56.5 m from diamond drill hole BGDD001. The work demonstrated that an average concentrate grade of more than 95% Total Carbon may be produced at a recovery of around 87%.

Several regrind times were trialled with longer regrind times resulting in higher purity at reduced flake size. The final 'SF3' trial delivered approximately 6% of the flakes greater than 106 microns, 7% between 75 and 106 microns, 19% between 38 and 75 microns and the balance being less than 38 microns size.

Strike has conducted electrochemical exfoliation tests to assess the potential for graphene production. A sample from the concentrate was tested by means of Atomic Force Microscopy and Raman Spectroscopy which indicated that 'graphene nano platelets' comprised of approximately 40 graphene layers may be made.

Cut-off Parameters and Estimation Methodology

The lower mineralisation cut-off grade of 5% TGC for the graphitic schist corresponds to natural break in the grade population distribution and sits at about the 5th data percentile of the logged graphitic schist lithological unit. If additional infill drilling is completed, it may be feasible to define discrete higher-grade mineralisation domains within a broader lower grade halo, but at this stage of project development it was considered prudent to define the mineralisation more broadly and not exclude any mineralised material that has likely economic potential.

The mineralisation has been estimated using inverse distance weighting to the power of two (ID2) using Datamine Studio RM software. This linear estimation methodology was selected in preference to ordinary kriging (OK) due to the modelled variograms not being considered reasonable.

Samples were selected within the graphitic schist interpretation wireframe solid for data analysis. Statistical analysis was completed to determine if any outlier grades required top-cutting. Statistical analysis to check grade population distributions using histograms, probability plots and summary statistics and the co-efficient of variation, was completed for TGC. The checks showed there were no significant outlier grades in the interpreted graphitic schist lens.

An OK grade check estimate was completed concurrently with the primary ID2 estimate in a number of runs with varying parameters. Block model results are compared against each other and the drill hole results to ensure an estimate that best honours the drill sample data is reported.

Classification

Classification of the Mineral Resource estimates was carried out taking into account the level of geological understanding of the deposit, quality of samples, density data and drill hole spacing. The Mineral Resource estimate has been classified as Inferred in accordance with the JORC Code, 2012 Edition using a qualitative approach. Overall, the mineralisation trends are reasonably consistent over the drill sections. The Mineral Resource estimate appropriately reflects the view of the Competent Person.

Mineral Resource Estimate – Competent Persons Statement

The information in the ASX announcement of 13 November 2017 that relates to in situ Mineral Resources for the Burke Graphite Project is based on information compiled by Mr. Grant Louw under the direction and supervision of Dr Andrew Scogings, who were both employed by CSA Global Pty Ltd at the date of the announcement. Dr Scogings takes overall responsibility for the report. Dr Scogings is a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a

Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012).

The Mineral Resource Estimated were released to the ASX as described above and the Competent Persons provided their consent to the statements included in the ASX release.

Quality and Reasonableness – VALMIN 7.3(b)

Strike Resources Ltd announced the Mineral Resource Estimates for the Burke Graphite Deposit to the ASX in accordance with the JORC Code 2012 on 13 November 2017 in the announcement titled "Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest Grade Natural Graphite Deposits" (Strike Resources Limited - ASX: SRK).

Agricola has reviewed the current Mineral Resource Estimates for the Burke Graphite Project. The information provided in the ASX Releases clearly sets out the steps taken to ensure a high-quality outcome for the resource estimate.

Consideration of all mining, metallurgical, social environmental and financial aspects of the project was reported in a satisfactory way and summarised in JORC Table 1. It is envisaged that any potential extraction of these Mineral Resources will be via open pit mining methods. The resources are reported at a cut-off grade of 5% TGC which is considered appropriate. The depth of modelled mineralisation is considered to have potential for eventual economic extraction via open pit mining.

The mineralisation has been estimated using inverse distance weighting to the power of two (ID2) using Datamine Studio RM software. This linear estimation methodology was selected in preference to ordinary kriging (OK) due to the modelled variograms not being considered reasonable.

The current Mineral Resource estimates are classified as Inferred Resources and have been determined by drill density and number of drillholes and samples utilized in grade estimation. The resource classification accounts for all relevant factors and reflects the competent person's views of the deposit. The resource classification appropriately and reasonably reflects the varying levels of confidence of the resource model to predict average grade and tonnages for the resources if it were to be mined. Confidence in the relative accuracy of the estimate is reflected by the categorization of the mineralisation as Inferred Resource.

Agricola is not aware of any new information or data that materially affects the information included in the ASX release of 13 November 2017 and all the material assumptions and technical parameters underpinning the estimates continue to apply. The form and context in which the findings of the ASX release are presented have not been materially modified. Further details of the Mineral Resource Estimate are publicly available in the ASX release.

Agricola is satisfied that the Mineral Resource estimates are of high quality and reasonable and carried out to a high professional standard.

Exploration Potential

Lithium-ion Battery Usage

Graphite is an important component in the manufacture of lithium-ion batteries (there is typically at least 10 times more graphite than lithium by weight in a lithium-ion battery). The use of lithium-ion batteries (and hence the demand for graphite) is expected to dramatically increase over the coming years as environmental and regulatory issues force vehicle manufacturers to move away from fossil fuel-powered engines. In addition, the massive growth of solar, wind and other renewable power sources requires a commensurate increase in the use of grid storage batteries in order to smooth the impact of irregular power supply from these sources.

To test the potential suitability of the Burke graphite for use in lithium-ion batteries (and other applications), an industry standard graphite flotation process was applied to core samples taken at a depth of 41.0 – 56.5 metres from diamond drill hole BGDD001.

The flotation tests conducted by conducted by Independent Metallurgical Operations Pty Ltd (IMO) confirmed that a concentrate of purity in excess of 95% and up to 99% Total Graphitic Carbon in individual size fractions can be produced using a standard flotation process, where 95% purity is typically considered as the threshold for saleable graphite concentrate.

Of particular note is the distribution of flake sizes produced from the flotation, where the majority (67.9%) of the resulting flake graphite material is characterised as “ultra-fine” (flakes less than 38 microns in size). High purity ultra-fine flake graphite material can be particularly suited for use in lithium-ion batteries, which typically use graphite particle sizes of between 5 – 25 microns for anode material.

Graphene Production Potential

Graphene is a recently discovered “wonder material” that offers tremendous opportunities in a range of industries, possessing exceptional qualities of strength, electrical and thermal conductivity, and impermeability.

Graphene is technically defined as a single atom layer of crystalline carbon in a two dimensional ‘honeycomb’ type structure, but the term “Graphene” is often extended to include material made up of multiple stacked single layers of (single layer) Graphene. Material comprising up to 10 layers of Graphene is sometimes referred to as “Few Layer Graphene” (FLG), whereas material with between 10–150 layers of Graphene is known as “Graphene Nano Platelet” (GNP).

As for single layer Graphene, both FLG and GNP exhibit far superior properties of strength and conductivity when compared to natural graphite and are expected over time to be used in a wide variety of commercial applications.

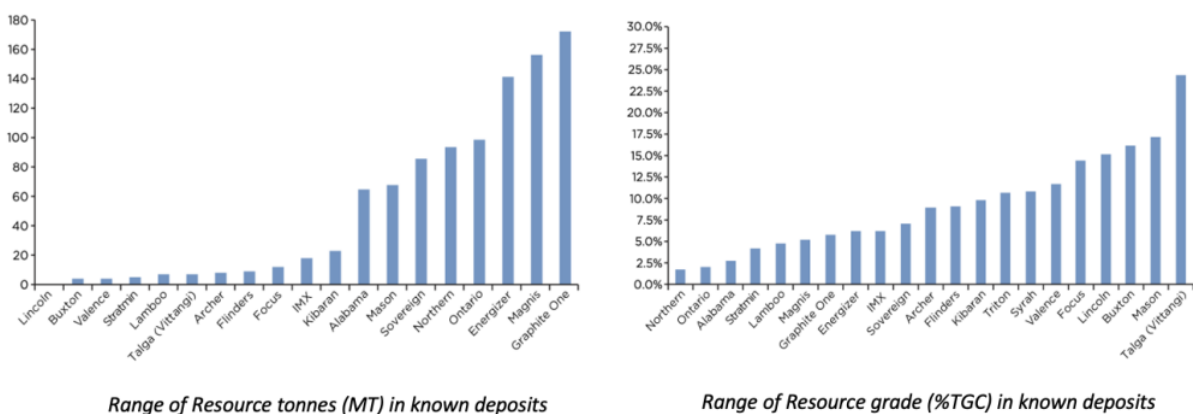
There are a number of different processes currently being used to create Graphene from natural graphite. In a single test undertaken on a sample of core taken at 51.1 metres depth from diamond drill hole BGDD001, a process known as “Electrochemical Exfoliation” (ECE) was successfully used at Metallurgy Pty Ltd (subsidiary of IMO) to produce pure GNP material from raw Burke graphite.

In ECE, a lump of graphite is inserted in a chemical solution and an electric current is passed through the solution, using the graphite as an anode. Layers of Graphene then “peel off” and can be collected through a relatively simple process. The ECE process is relatively low cost and environmentally friendly compared to other processes – yet it can produce very high purity Graphene. The exceptionally high-grade (~20% TGC) and natural conductivity of the Burke graphite allows it to be used directly as an anode in the ECE process, without the need for any grinding, flotation, or other costly processing steps.

The production and composition of the GNP material produced by the ECE process was independently confirmed using standard Atomic Force Microscopy (AFM) and Raman Spectroscopy tests respectively.

The Burke EPM25443 Graphite Deposit

Several key factors are of interest in ranking early-stage graphite deposits in the current market including: i) deposit size, grade and contained graphite; ii) location (country risk) and logistics; iii) flake size distribution; and iv) product purity.



The Inferred Mineral Resource estimate is currently 6.3 million tonnes at 16.0% Total Graphitic Carbon (1 million tonnes TGC) with included higher-grade material of 2.3 million tonnes at 20.6% TGC. The Burke Graphite Deposit is in the upper quartile of graphite grade and the lower quartile for resource tonnes for a range of comparable deposits.

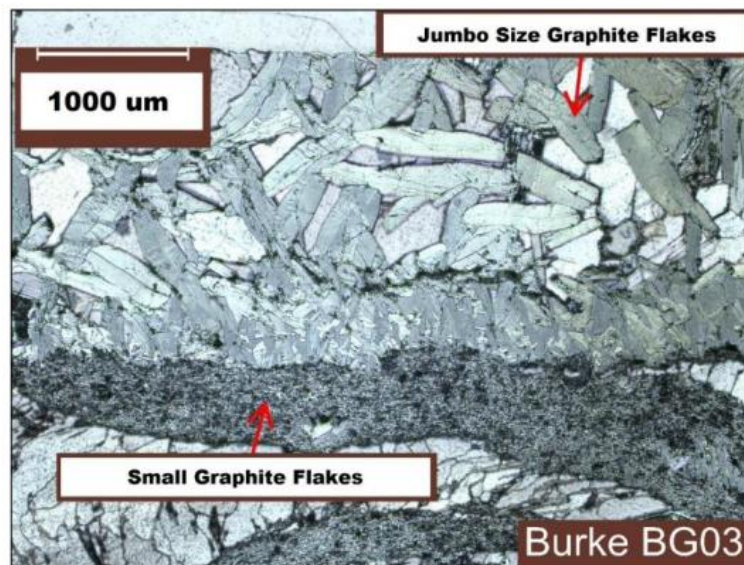
The resource is adjacent to the Mount Dromedary Flake Graphite deposit held by Novonix that announced a total resource of 14.3 million tonnes at 13.3% TGC (details are available in the ASX release of 20 October 2016 by GraphiteCorp Limited).

In addition to the high-grade nature of the deposit:

- The graphite flakes within the outcrop were found to have two distinct populations, being massive Large to Jumbo Flake sizes in samples with higher grade total graphite content (TGC) together with a fine amorphous to small flake ground mass. Flake sizes over 1,000µm are observed within the sampled petrography thin sections. Jumbo Flake graphite typically attracts a premium price compared to smaller flake sizes, as larger flake sizes are more efficient at making the spherical graphite required for Lithium-ion battery anodes.

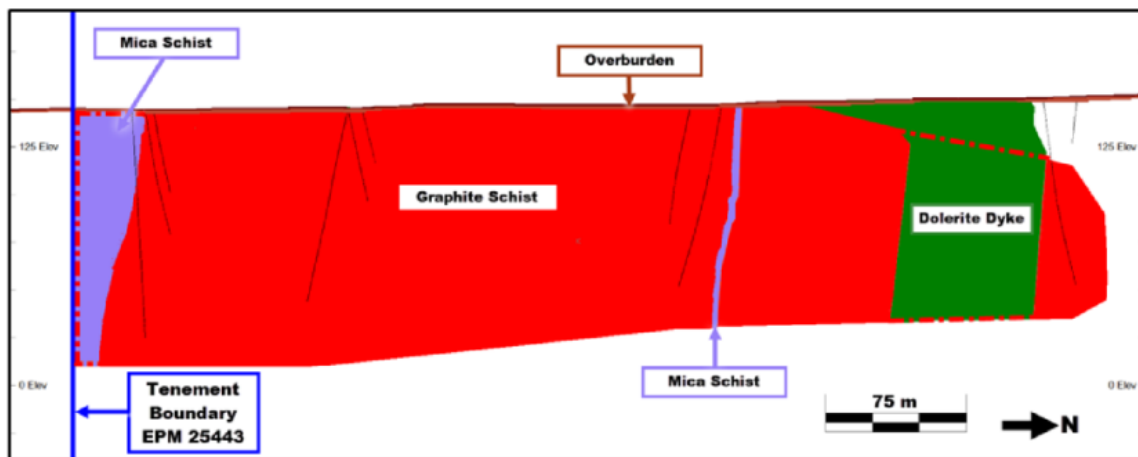
- The deposit comprises natural graphite that has been demonstrated to be able to be processed by standard flotation technology to international benchmark product categories. The flotation tests conducted by Independent Metallurgical Operations Pty Ltd (IMO) have confirmed that a concentrate of purity in excess of 95% and up to 99% TGC can be produced using a standard flotation process.

Size Fraction (µm)	Mass (%)	TC (%)
+106	6.1	98.6
+75	7.1	97.6
+38	19.0	97.0
-38	67.9	94.5
Total (calculated)	100.0	95.4



High Grade Petrography Thin Section (Source: Strike 2017b)

- The deposit contains graphite from which Graphene Nano Platelets (GNP) have been successfully extracted direct from the Burke Graphite deposit via Electrochemical Exfoliation (ECE). The ECE process is relatively low cost and environmentally friendly compared to other processes, yet it can produce very high purity Graphene products. The ECE process is however not applicable to the vast majority of worldwide graphite deposits as it requires a TGC of over 20% and accordingly the Burke Deposit has potentially significant processing advantages over other graphite deposits.
- The deposit is located in the relatively safe and mining friendly jurisdiction of Queensland, Australia with well-developed transport infrastructure and logistics nearby; and is potentially amenable to low-cost open-pit mining.



Burke EPM 25443 North South long section schematic view. (Source: Strike 2017e)

Proposed Exploration Program

There is some capacity to expand the current resource estimate down dip towards the tenement boundary and possibly to the north.

To add confidence to the Mineral Resource and increase geological understanding of the deposit the following aspects will be addressed:

- Additional drilling on infill sections and on existing sections to improve confidence in the geological and grade continuity.
- The majority of additional drilling should be by means of DD drilling for petrographic examination, and metallurgical testing.
- Additional thin section petrographic work by weathering state, in situ flake size and possible liberation characteristics.
- Metallurgical work on all weathering state material types to test the viability of different materials as a product source.

Proposed Exploration Budget

Lithium Energy proposes to fund its intended exploration programs over the Projects as outlined in the table below from the proceeds of the Issue:

Solaroz Lithium Project Proposed Expenditure:		
Activity	Year 1 (\$)	Year 2 (\$)
Data compilation	45,000	-
Geophysics & surveying	260,000	70,000
Drilling	1,500,000	1,300,000
Sample Analyses	110,000	75,000
Field and staff costs	450,000	400,000
Resource Estimation	75,000	160,000
Local Administration	60,000	60,000
Total	2,500,000	2,065,000

Burke Graphite Project Proposed Expenditure:		
Activity	Year 1 (\$)	Year 2 (\$)
Data compilation	30,000	30,000
Geophysics & surveying	10,000	-
Drilling	125,000	145,000
Sample Analyses	35,000	40,000
Field and staff costs	30,000	35,000
Local Administration	15,000	15,000
Testwork and Analysis	70,000	40,000
Resource Estimation	-	40,000
Tenement costs	5,000	5,000
Total	320,000	350,000

Combined Exploration Expenditure			
Project	Year 1 (\$)	Year 2 (\$)	Total (\$)
Solaroz Lithium Project	2,500,000	2,065,000	4,565,000
Burke Graphite Project	320,000	350,000	670,000
Total	2,820,000	2,415,000	5,235,000

The budget will be spent on the granted tenements in the Burke Graphite Project in Queensland and on the Solaroz Project when the EIA is approved and concessions granted by the Argentine authorities. The exploration budget will be subject to modification on an on-going basis depending on the results obtained from exploration and development activities as they progress.

It is considered that the Company has a reasonable proposed exploration budget over two years consistent with its stated objectives and that this program is warranted and justified on the basis of the historical exploration activity and demonstrated potential for development of mineralization at the Burke Graphite Project and for the discovery of lithium-rich brines at the Solaroz Project.

References

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- Strike Resources Limited, 2019, Annual Report to Shareholders, 2019
- Strike Resources Limited, 2020, Annual Report to Shareholders, 2020
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Risks for Exploration Companies

Agricola has identified a range of risk elements or risk factors, which may affect the exploration outcomes of the Company's Projects. There are specific risks associated with the activities of the Company and general risks which are largely beyond the control of the Company and the Directors. The risks identified below, or other risk factors, may have a material impact on the future exploration performance. The risks outlined below are not exhaustive but are the minimum exposure areas.

Security of Tenure

This may specifically cover mining tenure whereby country specific mining laws and legislation apply. Any opportunity in Australia and overseas will be subject to particular risks associated with operating in Australia or the respective foreign country.

These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, exchange control, exploration licensing, export duties, investment into a foreign country and repatriation of income or return of capital, environmental protection, land access and environmental regulation, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits be provided to local residents.

- The Solaroz Tenements comprise eight mining property applications in Jujuy Province, northern Argentina. The status of the tenements has been independently verified pursuant to section 7.2 of the Valmin Code, 2015, based on a recent independent review of the Due Diligence Report provided by Saravia Frías Abogados in 2021.
- *The mining files are in good standing.* Upon fulfilling with the administrative process settled by law, the titleholder will get the final title in due time. There are no encumbrances, mortgages or liens pending on the mining applications under analysis. (Saravia Frías Abogados)
- The Burke Graphite Project tenements are granted. They include two Exploration Licences (EPM 25443 and EPM25696). The status of the tenements has been verified based on a recent independent inquiry of the Government of Queensland Tenement Register and *The Solicitor's Tenement Report* by Squire, Patton, Boggs, 2021, pursuant to section 7.2 of the VALMIN Code, 2015. The tenements are believed to be in good standing based on this inquiry.
- Risks are associated with obtaining the renewal of tenements upon expiry of their current term, including the grant of subsequent titles applied for over the same ground.
- The grant or refusal of tenements is subject to ministerial discretion and there is no certainty that the tenements applied for will be granted.

Exploration Risk

Mineral exploration and development are high risk undertakings due to the high level of inherent uncertainty. There can be no assurance that exploration of the Company's tenements will result in the discovery of economic mineralisation. Even if economic mineralisation is discovered there is no guarantee that it can be commercially exploited.

Any future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company. Risks inherent in exploration and mining include, among other things, successful exploration, and identification of Mineral Resources; satisfactory performance of mining operations if a mineable deposit is discovered; and competent management.

Resource Estimates

The Company's projects may contain JORC Code compliant resources. There is no guarantee that a JORC Code compliant resource will be discovered on any of the Company's other tenements. Resource estimates are expressions of judgement based on knowledge, experience, and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

- While there is a reasonable level of geological confidence associated with inferred mineral resources there is no certainty that further exploration work will result in the determination of mineral resources of higher category to the JORC 2012 standard.

Access Risks – Cultural Heritage and Native Title

The Company must comply with various country specific cultural heritage and native title legislation including access agreements which require various commitments, such as base studies and compliant survey work, to be undertaken ahead of the commencement of mining operations.

It is possible that some areas of those tenements may not be available for exploration due to cultural heritage and native title legislation or invalid access agreements. The Company may need to obtain the consent of the holders of such interests before commencing activities on affected areas of the tenements. These consents may be delayed or may be given on conditions which are not satisfactory to the Company.

Land Access

- Risks arising because of the rights of indigenous groups in domestic and overseas jurisdictions which may affect the ability to gain access to prospective exploration areas and to obtain exploration titles and access, and to obtain production titles for mining if exploration is successful. If negotiations for such access are successful, compensation may be necessary in settling indigenous title claims lodged over any of the tenements held or acquired by the Company. The level of impact of these matters will depend, in part, on the location and status of the tenements.
- The risks associated with being able to negotiate access to land, including by conducting heritage and environmental surveys, to allow for prospecting, exploration, and mining, is time and capital consuming and may be over budget and is not guaranteed of success.

Native Title

- Native title rights and interests are those rights in relation to land or waters that are held by Aboriginal or Torres Strait Islander peoples under their traditional laws and customs and recognized by the common law. Native title was first accepted into the common law of Australia by the High Court of Australia's decision in *Mabo (No 2)* in 1992.
- Australian law recognizes that, except where native title had been wholly extinguished by the historical grant of freehold, leasehold, and other interests, native title exists where Aboriginal people have maintained a traditional connection to their land and waters substantially uninterrupted since sovereignty.
- The particular rights and interests vary from case to case but may include the right to live and camp in the area, conduct ceremonies, hunt, and fish, build shelter, and visit places of cultural importance. Some native title holders may also have the right to control access.
- Australian law also requires that native title approval be obtained before mining applications can commence. All agreements with the Traditional Owners are carried out by negotiation, with bespoke arrangements being concluded in each individual case.

Equipment and Management

- Poor access to exploration areas as a result of remoteness or difficult terrain.
- Poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues.
- Unforeseen major failures, breakdowns or repairs required to key items of exploration equipment and vehicles, mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance, and upkeep.
- The availability and high cost of quality management, contractors and equipment for exploration, mining, and the corporate and administration functions in the current economic climate and the cost of identifying, negotiating with and engaging the right people.

Environmental Risks

The operations and proposed activities of the Company are subject to each project's jurisdiction, laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Future legislation and regulations governing exploration, development and possible production may impose significant environmental obligations on the Company.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potential economically viable mineral deposits. The Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals or to obtain them on terms acceptable to the Company may prevent the Company from undertaking its desired activities.

The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations, or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition, and results of operations.

- The risk of material adverse changes in the government policies or legislation of the host country affect the level and practicality of mining and exploration activities.
- Environmental management issues with which the holder may be required to comply from time to time. There are very substantive legislative and regulatory regimes with which the holder needs to comply for land access, exploration and mining that can lead to significant delays.

JV and Contractual Risk

The Company may have additional options where it can increase its holding in the selective assets by achieving or undertaking selected milestones. The Company's ability to achieve its objectives and earn or maintain an interest in these projects is dependent upon it and the registered holders of those tenements complying with their respective contractual obligations under joint venture agreements in respect of those tenements, and the registered holders complying with the terms and conditions of the tenements and any other relevant legislation.

Economic

General economic conditions, introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development, and possible production activities, as well as on its ability to fund those activities.

Sovereign and Political Risk

The Solaroz Lithium Brine Project is within Jujuy province, Argentina. The Company's interests are subject to the risks associated with operating in Argentina. Strengths and weaknesses include Major agricultural player (notably soya, wheat, and corn), Large shale oil and gas reserves, Education level higher than the regional average and GDP per capita above the region's average. Weak fiscal accounts and concerns over debt sustainability, Capital controls were tightened, in order to curb dropping foreign exchange reserves, Dependency on agricultural commodity prices and weather conditions, Sticky and skyrocketing inflation and prohibitive interest rates level and Bottlenecks in infrastructure

The Burke Graphite Deposit is within Queensland, Australia. The Company's interests are subject to the risks associated with operating in Australia. These risks may include economic, social, or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, exchange control, exploration licensing, land access and environmental regulation, mine safety, labour relations as well as government control.

DECLARATIONS, COMPETENCE and INDEPENDENCE

Relevant codes and guidelines

This Report has been prepared as an Independent Technical Assessment Report in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the "VALMIN Code", 2015 Edition), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), as well as the rules and guidelines issued by the ASIC which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112, March 2011). Agricola regards guidelines of RG112.31 to be in compliance whereby there are no business or professional relationships or interests, which would affect the expert's ability to present an unbiased opinion within this report.

Where exploration results and mineral resources have been referred to in this report, the information was prepared in accordance with the *Australasian Code for Reporting of Exploration Results, Mineral resources and Ore Reserves* ("JORC Code" 2012), prepared by the Joint Ore Reserves Committee of the AusIMM, the AIG and the Minerals Council of Australia.¹

Sources of Information

The statements and opinion contained in this report are given in good faith and this review is based on information provided by the title holders, along with technical reports by consultants, previous tenements holders and other relevant published and unpublished data for the area. Agricola has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this report is based. A final draft of this report was provided to the Company, along with a written request to identify any material errors or omissions in the technical information prior to lodgement.

¹ ASIC, 2011, Content of Expert Reports, Regulatory Guideline 111, March 2011.

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VALMIN, 2015, Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) [online].

In compiling this report, Agricola did not carry out a site visit to the Project areas. Based on its professional knowledge, lack of surface expression of geological attributes, experience and the availability of extensive databases and technical reports made available by various Government Agencies and the early stage of exploration, Agricola considers that sufficient current information is available to allow an informed appraisal to be made without such a visit.

This Report may contain statements that are made in or based on statements made in previous geological reports that are publicly available from either a government department or the ASX. These statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72 (clauses 6 and 7).²

The independent technical assessment report has been compiled based on information available up to and including the date of this report. The information has been evaluated through analysis, enquiry, and review for the purposes of forming an opinion. However, Agricola does not warrant that its enquiries have identified or verified all of the matters that an audit, extensive examination or "due diligence" investigation might disclose.

The figures included in this report are sources from published documents such as ASX Releases or provided by the Company. All figures have been reviewed, modified, and updated to the date of this Report and are the responsibility of the Competent Person for Agricola.

Agricola or Malcolm Castle is not aware of any new information or data, other than that disclosed in this Report, that materially affects the assessments included in this Report and that all material assumptions and parameters underpinning Exploration Results and Mineral Resource Estimates continue to apply and have not materially changed.

Qualifications and Experience

The person responsible for the preparation of this report is:

Malcolm Castle, B.Sc. (Hons), GCertAppFin (Sec Inst), MAusIMM

Mr Castle completed studies in Applied Geology with the University of New South Wales in 1965 and was awarded a B.Sc. (Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and was awarded a Graduate Certificate in Applied Finance and Investment in 2004. He has been a Member of the Australasian Institute for Mining and Metallurgy (AusIMM) for over 50 years.

Malcolm Castle has over 50 years' experience in exploration geology and property evaluation, working as an independent consultant, and for major and minor companies for throughout his career as an exploration geologist including Kennecott, Amoco, Esso, Plutonic, Laverton Gold, Transcontinental Resource Group, Fortescue Metals Group and BMG Ltd.

He established a consulting company over 30 years ago and specializes in exploration management, technical audit, due diligence, and property valuation at early stages of development. He has wide experience in a number of commodities including precious metals, base metals, nickel, cobalt, iron ore, coal, mineral sands, uranium, sulphate of phosphate, specialty metals including rare earths, scandium, lithium, and vanadium over his professional career. He has been responsible for project discovery and exploration through to feasibility study in Papua New Guinea, Australia, Fiji, South Africa, Indonesia and Brazil and technical audits in many overseas locations.

He has completed numerous Independent Technical Assessment Reports and Mineral Asset Valuation Reports on properties in a number of countries over the last two decades as part of his consulting business.

² ASIC Corporations (Consents to Statements) Instrument 2016/72, 11 March 2016. Available online from: <https://www.legislation.gov.au/Details/F2016L00326>

Competence

Mr Castle is the Principal Consultant for Agricola Mining Consultants Pty Ltd, an independent geological consultancy.

- Mr Castle is appropriately qualified geologist and is a member of a relevant recognized professional association (Member of Australasian Institute of Mining and Metallurgy),
- He has the necessary technical and securities qualifications, expertise, competence, and experience appropriate to the subject matter of the report (B.Sc. (Hons), GCertAppFin (Sec Inst), and
- He has at least ten years of suitable and recent experience in the particular technical or commercial field in which he is to report.

Declaration – VALMIN Code: The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Malcolm Castle, who is a Member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle is not a permanent employee of the Company. Malcolm Castle has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity, which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Malcolm Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Competent Persons Statement – JORC Code: The information in this report that relates to Exploration Results and Mineral resources of the Company is based on, and fairly represents, information and supporting documentation reviewed by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral resources and Ore Reserves'. Mr Castle consents to the inclusion in this report of the matters based on the information and supporting documentation in the form and context in which they appear.

Independence

Agricola or its employees and associates are not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the projects. The relationship with the Company is solely one of professional association between client and independent consultant.

Agricola has had no material association during the previous two years with the owners/promoters of the mineral assets, the company acquiring the assets or any of the assets to be acquired and has no material interest in the projects.

There are no business relationships between Agricola and the Company. Agricola or its employees and associates are not, nor intend to be a director, officer, or other direct employee of the Company. The relationship with the Company is solely one of professional association between client and independent consultant.

Agricola does not hold, and has no interest in, the securities of the Company under review; Agricola has no relevant pecuniary interest, association or employment relationship with the Company and its subsidiaries; Agricola has no interest in the material tenements, the subject of the Report; Agricola is not a substantial creditor of an interested party or has a financial interest in the outcome of the proposal.

The Independent Technical Assessment Report is prepared in return for professional fees of \$12,500 plus GST based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Reasonableness Statement

The data used for the technical assessment comprises mainly public company announcements, annual reports, annual information forms, management discussions and analysis, news releases and statutory technical reports.

This technical assessment complies with the VALMIN Code (2015 Edition) in its entirety. The author has taken due note of Regulatory Guide (RG) 111 "Content of Expert Reports" (22 October 2020) and RG 112 "Independence of Experts" (30 March 2011) promulgated by the Australian Securities and Investments Commission (ASIC) and this report meets the guidelines set out in RG 111 and RG 112.

In undertaking this technical assessment Agricola has assessed the Technical inputs pertaining to the projects in an impartial, rational, realistic, and logical manner. Agricola believes that the inputs, assumptions, and overall Technical Assessment is in line with industry standards and meet the Reasonable Grounds Requirement of the VALMIN Code 2015.

Consent

For the purposes of the Corporations Act 2001 Section 720, Agricola Mining Consultants Pty Ltd consents to the inclusion of this Independent Technical Assessment Report in the form and context as set out in the formal agreement with the Company.

Agricola provides its consent on the understanding that the assessment expressed in the individual sections of this report will be considered with, and not independently of, the information set out in full in this Report. Agricola consents to the use and reliance upon this specialist technical assessment report on the Mineral Assets in preparation of an Independent Expert's Report if appropriate. Agricola has no reason to doubt the authenticity or substance of the information provided.

Agricola Mining Consultants Pty Ltd has not withdrawn this consent prior to the lodgement of the Report.

Yours faithfully



Malcolm Castle

B.Sc.(Hons) MAusIMM, GCertAppFin (Sec Inst)

Agricola Mining Consultants Pty Ltd

GLOSSARY OF TECHNICAL TERMS

GLOSSARY OF TECHNICAL TERMS	
aeolian	Formed or deposited by wind.
aerial photography	Photographs of the earth's surface taken from an aircraft.
aeromagnetic	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the earth's magnetic field.
airborne geophysical data	Data pertaining to the physical properties of the earth's crust at or near surface and collected from an aircraft.
aircore	Drilling method employing a drill bit that yields sample material which is delivered to the surface inside the rod string by compressed air.
alluvial	Pertaining to silt, sand, and gravel material, transported, and deposited by a river.
alluvium	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.
alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
andesite	An intermediate volcanic rock composed of andesine and one or more mafic minerals.
anomalies	An area where exploration has revealed results higher than the local background level.
anticline	A fold in the rocks in which strata dip in opposite directions away from the central axis.
antiformal	An anticline-like structure.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
assayed	The testing and quantification metals of interest within a sample.
auger sampling	A drill sampling method using an auger to penetrate upper horizons and obtain a sample from lower in the hole.
axial plane	The plane that intersects the crest or trough of a fold, about which the limbs are more or less symmetrically arranged.
basalts	A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
polymetallics	A non-precious metal, usually referring to copper, lead and zinc.
bedrock	Any solid rock underlying unconsolidated material.
BIF	A rock consisting essentially of iron oxides and cherty silica and possessing a marked banded appearance.
brittle	Rock deformation characterised by brittle fracturing and brecciation.
Cainozoic	An era of geological time spanning the period from 65 million years ago to the present.
carbonate	Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium, or iron and CO ₃ . Essential component of limestones and marbles.
chemical symbols	Gold (Au), silver (Ag), barium (Ba), copper Cu), zinc (Zn), lead (Pb) antimony (As), Antimony (Sb).
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.
clastic	Pertaining to a rock made up of fragments or pebbles (clasts).

clays	A fine-grained, natural, earthy material composed primarily of hydrous aluminium silicates.
colluvium	A loose, heterogeneous, and incoherent mass of soil material deposited by slope processes.
conduits	The main pathways that facilitate the movement of hydrothermal fluids.
conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
dacite	An extrusive rock composed mainly of plagioclase, quartz and pyroxene or hornblende or both.
depletion	The lack of gold in the near-surface environment due to leaching processes during weathering.
diamond drill hole	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.
dilational	Open space within a rock mass commonly produced in response to folding or faulting.
dolerite	A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
ductile	Deformation of rocks or rock structures involving stretching or bending in a plastic manner without breaking.
dykes	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
en-echelon	Repeating parallel, but offset, occurrences of lenticular bodies such as ore veins.
erosional	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earth's surface.
fault zone	A wide zone of structural dislocation and faulting.
feldspar	A group of rock forming minerals.
felsic	An adjective indicating that a rock contains abundant feldspar and silica.
folding	A term applied to the bending of strata or a planar feature about an axis.
foliated	Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.
follow-up	A term used to describe more detailed exploration work over targets generated by regional exploration.
g/t	Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.
gabbro	A fine to coarse grained, dark coloured, igneous rock composed mainly of calcic plagioclase, clinopyroxene and sometimes olivine.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.
GIS database	A system devised to present partial data in a series of compatible and interactive layers.
gneissic	Coarse grained metamorphic rocks characterised by mineral banding of the light and dark coloured constituent minerals.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
granoblastic	A term describing the texture of a metamorphic rock in which the crystals are of equal size.
granodiorite	A coarse-grained igneous rock composed of quartz, feldspar, and hornblende and/or biotite.

greenschist	A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.
greenstone belt	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.
greywackes	A sandstone like rock, with grains derived from a dominantly volcanic origin.
GSWA	Geological Survey of Western Australia.
gypsum	Mineral of hydrated, or water-containing, calcium sulphate.
halite	Impure salt deposit formed by evaporation.
hangingwall	The mass of rock above a fault, vein, or zone of mineralisation.
hematite	Iron oxide mineral, Fe_2O_3 .
hinge zone	A zone along a fold where the curvature is at a maximum.
hydrothermal fluids	Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
igneous	Rocks that have solidified from a magma.
infill	Refers to sampling or drilling undertaken between pre-existing sample points.
insitu	In the natural or original position.
interflow	Refers to the occurrence of other rock types between individual lava flows within a stratigraphic sequence.
intermediate intrusions	A rock unit which contains a mix of felsic and mafic minerals. A body of igneous rock which has forced itself into pre-existing rocks.
intrusive contact	The zone around the margins of an intrusive rock.
ironstone	A rock formed by cemented iron oxides.
isoclinal	A series of folds that dip in the same direction at the same angle.
joint venture	A business agreement between two or more commercial entities.
komatiitic	Magnesium-rich mafic to ultramafic extrusive rock.
laterite	A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.
lineament	A significant linear feature of the earth's crust, usually equating a major fault or shear structure.
lithological contacts	The contacts between different rock types.
lithotypes	Rock types.
metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure, and derived fluids.
metasedimentary	A rock formed by metamorphism of sedimentary rocks.
monzogranite	A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase feldspar, but usually with a low quartz content.
Moz	Millions of ounces.
Mt	Million Tonnes.
mylonite	A hard compact rock with a streaky or banded structure produced by extreme granulation of the original rock mass in a fault or thrust zone.
nickel laterite	Nickel ore hosted within the laterite profile, usually derived from the weathering of olivine-rich ultramafic rocks.
open pit	A mine working or excavation open to the surface.
Orthoimage	A geographically located composite plan using aerial photography as a base.
outcrops	Surface expression of underlying rocks.
palaeochannels	An ancient, preserved stream or river.

pegmatite	A very coarse grained intrusive igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-rare earth bearing minerals.
pisolitic	Describes the prevalence of rounded manganese, iron or alumina-rich chemical concretions, frequently comprising the upper portions of a laterite profile.
playa lake	Broad shallow lakes that quickly fill with water and quickly evaporate, characteristic of deserts.
polymictic	Referring to coarse sedimentary rocks, typically conglomerate, containing clasts of many different rock types.
porphyries	Felsic intrusive or sub-volcanic rock with larger crystals set in a fine groundmass.
ppb	Parts per billion; a measure of low-level concentration.
Proterozoic	An era of geological time spanning the period from 2,500 million years to 570 million years before present.
pyroxenite	A coarse grained igneous intrusive rock dominated by the mineral pyroxene.
quartz reefs	Old mining term used to describe large quartz veins.
quartzofeldspathic	Compositional term relating to rocks containing abundant quartz and feldspar, commonly applied to metamorphic and sedimentary rocks.
quartzose	Quartz-rich, usually relating to clastic sedimentary rocks.
RAB drilling	A relatively inexpensive and less accurate drilling technique involving the collection of samples returned by compressed air from outside the drill rods.
RC drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
regolith	The layer of unconsolidated material which overlies or covers insitu basement rock.
residual	Soil and regolith which has not been transported from its point of origin.
resources	Insitu mineral occurrence from which valuable or useful minerals may be recovered.
rhyolite	Fine-grained felsic igneous rock containing high proportion of silica and feldspar.
rock chip sampling	The collection of rock specimens for mineral analysis.
saprolite	Disintegrated, in-situ rock, partially decomposed by the chemical and physical processes of oxidation and weathering.
satellite imagery	The images produced by photography of the earth's surface from satellites.
schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
scree	The rubble composed of rocks that have formed down the slope of a hill or mountain by physical erosion.
sedimentary	A term describing a rock formed from sediment.
sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
shale	A fine grained, laminated sedimentary rock formed from clay, mud, and silt.
sheared	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.
sheet wash	Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events. Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.

silcrete	Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silica	Dioxide of silicon, SiO ₂ , usually found as the various forms of quartz.
sills	Sheets of igneous rock which is flat lying or has intruded parallel to stratigraphy.
silts	Fine-grained sediments, with a grain size between those of sand and clay.
soil sampling	The collection of soil specimens for mineral analysis.
stocks	A small intrusive mass of igneous rock, usually possessing a circular or elliptical shape in plan view.
strata	Sedimentary rock layers.
stratigraphic	Composition, sequence, and correlation of stratified rocks.
stream sediment sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements.
strike	Horizontal direction or trend of a geological structure.
subcrop	Poorly exposed bedrock.
sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralisation.
supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
syenite	An intrusive igneous rock composed essentially of alkali feldspar and little or no quartz and ferromagnesian minerals.
syncline	A fold in rocks in which the strata dip inward from both sides towards the axis.
talc	A hydrous magnesium silicate, usually formed due to weathering of magnesium silicate rocks.
tectonic	Pertaining to the forces involved in or the resulting structures of movement in the earth's crust.
tholeiitic	A descriptive term for a basalt with little or no olivine.
thrust fault	A reverse fault or shear that has a low angle inclination to the horizontal.
tremolite	A grey or white metamorphic mica of the amphibole group, usually occurring as bladed crystals or fibrous aggregates.
ultramafic	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
veins	A thin infill of a fissure or crack, commonly bearing quartz.
volcaniclastics	Pertaining to clastic rock containing volcanic material.
volcanics	Formed or derived from a volcano.
zinc	A lustrous, blueish-white metallic element used in many alloys including brass and bronze.

Drainable Brine Mineral Resource - This is based on confidence criteria such as the geometry of the host aquifer as defined by a three-dimensional block model, the effective porosity of host hydrogeologic units, and the grade or concentration of dissolved minerals in the brine.

Total Graphitic Carbon (TGC) - Carbon may be present in rocks in various forms including organic carbon, carbonates, or graphitic carbon. Carbon in rocks may be reported as total carbon (organic carbon + carbon in carbonate minerals + carbon as graphite) or as total graphitic carbon (total carbon – (organic + carbonate carbon)). Therefore, when total graphitic carbon is to be reported, organic carbon and carbon in carbonate minerals such as calcite should be removed before analysing TGC.

**DUE DILIGENCE REPORT
ON ARGENTINIAN MINING TENEMENTS**

LITHIUM ENERGY LIMITED

Mining Tenements, Province of Jujuy
Argentina

29/03/2021

City of Buenos Aires, Argentina, March 29th, 2021

To: LITHIUM ENERGY LIMITED

ACN: 647 135 108

Level 2, 31 Ventnor Avenue, West Perth, Western Australia 6005, Australia.

Ref: Due diligence report on Jujuy Mining Tenements, Argentina.

Attn: Mr. William Johnson and Victor Ho

Dear Sirs,

Lithium Energy Limited (“LEL”) has requested our legal opinion on the status and validity of the corporate information of Hananta S.A., the regulatory status of 8 mining tenements held under an Exploration Agreement with Option to Purchase Mining Rights and the validity and enforceability of the following agreements:

- a Memorandum of Understanding for Acquisition of Mining Rights in Argentina dated 28 February 2019, between (a) Strike Resources Limited; (b) Strike Operations Pty Ltd (which has since changed its name to LE Operations Pty Ltd); (c) Hananta S.A.; and (d) others (“**MOU**”),
- an Exploration Agreement with Option to Purchase Mining Rights dated 11 March 2019 between Hananta S.A. and Pablo Moncholi (“**Exploration Agreement**”);
- a Loan Agreement dated 3 April 2019 between Strike Operations Pty Ltd and Hananta S.A. (“**Loan Agreement 1**”);
- a Loan Agreement dated 5 September 2019 between Strike Operations Pty Ltd and Hananta S.A. (“**Loan Agreement 2**”);
- a Loan Agreement dated 18 December 2020 between Strike Operations Pty Ltd and Hananta S.A. (“**Loan Agreement 3**”); and
- an Assignment Agreement dated 22 March 2021 between Strike Resources Limited and Lithium Energy Limited (“**Assignment Agreement**”).

This report has been prepared by Mr. Carlos Saravia Frias and Inés Saravia Frías, acting as the Argentinean legal counsel of LEL. In preparing this report, we have had regard to the following matters:

- a. the corporate structure of Hananta S.A. and its relationship with Strike Operations Pty Ltd.
- b. the existence, status, enforceability and liabilities arising from the MOU, the Exploration Agreement, the Loans Agreements, the Assignment Agreement.
- c. the revision and analysis of mining files before the Mining Court of the Province of Jujuy, regarding the ownership, good standing and current status of the mining tenements detailed in Section V below.

This report was prepared as per your instructions and is issued for the purposes of a forthcoming initial public offering of shares that Lithium Energy Limited intends to

conduct on the Australian Securities Exchange (“ASX”) for the purposes of being included in the prospectus of LEL relating thereto.

Qualifications:

- a. We are attorneys registered and licensed to practice law in the City of Buenos Aires, Argentina. This report is restricted to matters relating to the laws of Argentina, and we express no opinion as to the effect of the laws of any other jurisdiction.
- b. In preparing this report, we have assumed the information, reports and search results provided by various government agencies in Argentina are accurate and correctly reflects the details of the tenements to which this report refers.

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I. ARGENTINE LEGAL FRAMEWORK

1.1 Federal State Organization

According to Argentine Political State Organization, all mines belong to the Provinces, which grant exploration and exploitation rights to applicants. The Federal Government is entitled to enact the National Mining Code (hereinafter, “NMC”) which is applicable to the whole country, while the Provinces have the power to regulate the procedural aspects of the NMC through each Provincial Mining Procedure Code (hereinafter, “PC”) and to organize its local authorities. Therefore, differences in the procedure among Provinces can be found. The references in this report exclusively relate to Jujuy Province, being the Province where the mining tenements under analysis are located.

Depending on the regulation of each Province, the relevant mining authority may either be a Mining Direction, a Mining Court or a mixed system. The Mining Direction (administrative) is a body of the Provincial executive branch, and its main authority is generally vested in the Mining Director. The Mining Court (judicial) belongs to the Provincial judiciary organization, and its authority is vested in the Judge of Mines.

The Province of Jujuy has a mixed system of Mining Authorities (Judicial-Administrative).

All the main matters in relation to the mining process are made by “decisions” issued by the Judge of Mines, with prior involvement of the Mining Direction on technical opinions. Depending on the issue, presentations must be submitted to the Mining Direction or the Mining Judge, who conducts the file’s administrative process. Technical and legal matters are resolved by the Mining Judge (for example, applications for new tenements, titleholder certificates, etc.). Environmental issues are analysed and approved by the Mining Direction.

1.2 Specific Federal Mining Regime

A mining concession allows its holder to carry out exploration and exploitation activities within the area defined in the respective concession title, provided that prior to the beginning of any mining activity, such concession title is granted by the Mining Authority.

According to the NMC there are two types of mining rights, being an exploration and an exploitation rights, both of which are exclusive:

- **The exploration permit (or “cateo”):** The holder of an exploration permit can explore the area during the period granted. Where the holder of an exploration permit discovers mineable minerals, the holder will have an exclusive right to apply for an exploitation permit in respect of that area.
The time period granted under an exploration permit, depends on the extent of the area applied. The maximum area allowed is 10,000 hectares which is divided into units of measurements of 500 hectares each. For the first unit granted, the valid period is 150 days and for the following units of measurements, 50 days are added for each unit. A relinquishment must be made after the first 300 days, and a second one, after 700 days have elapsed. The applicant must pay a “Canon” fee, submit a minimum working plan to be performed, and hand in an environmental impact assessment. It is important to point out, that exploration permits are granted for a fixed period of time, based on the extension of the area applied and there are no renewal or extensions of the term originally granted. Moreover, the permit holder cannot apply again for the same area until a year has elapsed. Therefore, the next step in the process, provided that mineable minerals are discovered in the exploration area, is to apply for exploitation rights as described hereunder.
- **The exploitation permit (or “manifestation of discovery”):** An exploitation permit has no time limit provided the holder complies with the requirements of law, which are basically to pay the annual payment of a Canon, the compliance with a submitted working and investment plan, and the submission of an environmental impact assessment that must be updated every two years. Within the administrative/judicial process, the holder obtains final title to the concession once the manifestation of discovery is registered by the Mining Authority. The right to mine is reached once the working and investment plan, and the environmental impact assessment survey are duly approved, the exploitation right is thereby granted and the final title of the mine is issued. Before this stage, it is called “manifestation of discovery” and is treated as an application in process.

There are different ways of acquiring an exploitation permit:

- By discovering a mine as a consequence of an exploration process as described above.
- When a mine is discovered by “Chance”, meaning, without an exploration process.
- When an exploitation right has been declared and posted in the register as “vacant” due to a non-compliance with the requirements settled by law.

All of the Mining Tenements the subject of this report are manifestation of discoveries and, therefore, applications in process are exclusive to the benefit of the applicant since they were registered in the cadastral system.

1.2.1. Obligations by the holder of exploration/exploitation permit

The holder of an exploration/exploitation permit must perform a series of obligations to maintain its full force and effect. The failure to comply with these obligations could result in the revocation of the exploration/exploitation permit.

a. Exploration Period

- **Field delimitation task:** Once the exploration permit has been issued, the titleholder has 30 days to delimit the land to the relevant exploratory area.
- **Working Plan:** A minimum working plan must be filed setting out basic data related to the exploration activity.
- **Canon:** This payment must be made together with the presentation of the application permit, and is only to be paid once. If an overlap exists, and the concession cannot be issued, then the applicant will receive a reimbursement of the monies paid. According to the Argentine NMC, the amount to be paid as Canon is \$AR1600 per unit of exploration, where a unit of exploration is 500 hectares.
- **Environmental Impact Assessment (“EIA”):** The EIA is for the proposed exploration works only. The requirements for an EIA are related to the exploration works proposed and are outlined in regulations. This presentation of an EIA is required before starting with any field works.

b. Exploitation Period

- **Canon:** This must be paid twice a year (June 30th and December 31st). If this fee is not paid, it will result in the revocation of the permit, unless the titleholder pays the canon within the 45 following days plus a 20% penalty amount (fine). According to the NMC the amount to be paid is \$1600 per unit of disseminated tenement (*pertenencia*). The area or unit of each tenement for disseminated minerals such as lithium and borates is 100 hectares. A 3-year period free of canon payments takes place if a mine is discovered.
- **Legal Labour and Legal Survey:** A legal labour to establish the limits of the mineable area must be performed within 100 days to be counted as from the date of registration of the mining right. The legal labour consists of the digging of a trench, well, gallery or drilling of at least of 10 meters in length as evidence of the veracity of the discovery. Within 30 days after compliance with the legal labour, a filing requesting the legal survey must be done. The Mining Authority of the Province has to set a date and the professional that will carry out the

survey. Once the latter is completed and approved, the final title of the mine is granted.

- **Working and Investment Plan:** A working and investment plan must be lodged which outlines the titleholders's plan to achieve a minimum production equivalent to 300 times the annual canon paid within a period of five years following the year in which the application of the legal survey is submitted. During each of the first two years the titleholder must invest a minimum of 20 % of the total investment in the concession and the remaining 80% may be freely distributed during the remaining three years. Every year, an affidavit describing the investment made should be submitted to the Mining Authority. If the affidavit is not submitted or does not correspond with real investment, the license expires and the mine is declared vacant, unless the holder amends the mistake or omission within the following 30 days counting from the receipt by the holder of the notification from the Mining Authority. When the mine remains without activity for a period of 4 years the Mining Authority can require the titleholder to present a "Reactivation Plan." The Reactivation Plan must be provided to the Mining Authority within 6 months otherwise the mine is declared vacant. The titleholder should comply with each stage as described in the work and investment plan, which cannot contemplate a period in excess of 5 years.
- **Environmental Impact Assessment:** Must be filed prior to initiating the field works and ought to be updated every two years.

1.3. Environmental Regime

Protection of the environment and preservation of natural and cultural heritage within the scope of mining activity are subject to:

- i) specific regulations of the NMC - as amended by National Law N° 24,585 of Environmental Protection for mining activity,
- ii) federal laws and regulations enacted by the Federal Government, and
- iii) all relevant provincial laws and/or regulations in force in the jurisdiction where the mining properties are located.

The NMC requires titleholders prior to initiate activities in the field, to prepare an environmental impact assessment ("EIA") with respect to the mining project and lodge the EIA with the local Authority where the mining tenement is located.

The EIA is analysed from a technical, environmental, scientific and legal point of view. If the EIA is approved, the Authority issues an environmental impact declaration ("DIA") containing the conditions for developing the mining project. The DIA is required to be updated every two years.

The NMC and federal environmental laws establish a joint liability regime which is applicable to all persons involved in environmental damage caused on the tenement land, or a breach of regulations, whether the damage is caused directly by the titleholder or by its employees, contractors or subcontractors. Mitigation and rehabilitation of the environmental damage is mandatory.

1.4. Provincial Specific Regulations

1.4.1. Jujuy's Provincial Relevant Mining Specific Regulations

- **Decree N°7592/11 ratified by Law N°6138**

On March 2nd 2011, the Provincial government of Jujuy enacted Decree N° 7592/2011 which established a new status for lithium exploitation as follows:

- i) it declared lithium as “strategic”; but this seems to be more of a political statement with no direct legal implications in practical terms so far; and
- ii) it imposed a more rigorous procedure for the approval of the EIAs than the one applicable to the mining activity in general.

- **Law N°5063 (Procedure for EIA approval)**

As soon as a permit holder decides to begin mining activity, aboriginal communities involved in the area where the mining properties are located, must be given notice.

Prior to the consideration and analysis of any EIA, certain information from different registries is requested by the Mining Judge (*i.e.* Cadastre, Secretary of indigenous Communities, Colonization Institute and Aborigines Communities Registry).

In the particular case of the Jujuy Province, and according to Provincial Law N° 5063, a public hearing with the participation of the relevant indigenous communities and a Board of Professionals (*“Unidad de Gestión Ambiental Provincial Minera –UGAMP”*) must be held for the analysis and approval of the EIA.

Once the indigenous communities grant their consent, technical observations and complementary information requested (if any) by the Board of Professionals must be provided. The UGAMP and the Mining Secretary are responsible for final approval of the EIA.

- **Provincial Decree N° 5772/10**

This Decree creates a Mining Provincial Environmental Management Unit (the UGAMP as described above) in order to advise the Mining Authority on environmental technical matters.

It settles the information that the EIA (for the exploration stage) must fulfil to be approved, as follows:

1. General information about the titleholder (name, legal domicile, legal representative, main activity, etc.);
2. Environmental Information: Location of the Project; geomorphological units; weather description of the area; hydric bodies in the area; depth of groundwater; water destination; soil use and destination; identification of Protected Areas; Nearest Town; Nearest Medical Centre; and any sites with historical, cultural, archaeological or paleontological value;
3. Description of the fieldwork: Objective of the exploration works; access to the Project; fieldwork that will be developed; camp and facilities; number of employees; water source, quality and consumption; energy, type and use; chemical imputes, fuels and lubricants.
4. Brief description of Environmental Impact: Impact to geomorphology, water, soil, flora, fauna and sociocultural environment.
5. Environmental measurement of prevention and mitigation of the impact to geomorphology, water, soil, flora, fauna and sociocultural environment.

- **Provincial Decree N° 7592/11**

Provincial Decree N°7592 states that all mining reserves containing lithium are considered as “strategic” natural resources for the economic development of the Province.

According to this Decree, exploration and exploitation projects must be previously analysed by an Expert Committee specifically appointed for developing a comprehensive analysis of the lithium projects.

This Expert Committee is integrated by:

- a. The Provincial Production Minister
- b. One expert proposed by the National Science and Technology Council (CONICET)
- c. One expert proposed by the National University of Jujuj

- d. Two experts appointed by the Provincial Congress
- e. One expert proposed by the Local Environmental Secretary
- f. One expert proposed by the Provincial Mining Direction. The Committee's opinion must be agreed by the majority of its members and can make a recommendation either approving the project, with or without amendments, or rejecting it. In all cases, this opinion must be duly justified.

Exploration and exploitation lithium projects must be approved or rejected by a joint resolution made by the Production Minister and the Government General Secretary. A favourable opinion from the Provincial Mining Direction and of the Expert Committee (as described above), must be issued prior to the final approval of the project.

Given the Covid 19 framework, we have been informed that UGAMP is not currently meeting. Members are defining the methodology to be applied to analyse individual EIAs filed and combine those observations and final approvals.

1.5. Federal tax regime for the mining sector

A special tax regime is applicable to the mining sector as set forth by the National Mining Investment Law ("**LIM**")¹ and its Decree ("**Decree**")².

The most relevant aspects are:

- 1.5.1. **Fiscal Stability:** A 30 (thirty) year tax stability period is granted to companies registered under the LIM, counted as from the filing of the prefeasibility study (hereinafter "**PS**"). No additional requirements need to be met aside from the filing of the PS. In essence once the fiscal stability is granted, none of the three levels of government (*i.e.* the federal nor the provincial or the municipal states that have adhered to the LIM) can increase the total tax burden to the company established at the time of the filing of the PS. A new tax can be imposed as long as an existing one is abrogated at the same level and the total tax pressure remains unaltered. In other words, the original tax base cannot be increased. This special tax regime grants a 30-year tax stability which specifically includes direct taxes (income tax mainly) but excluding indirect ones such as the value added tax ("**VAT**").

¹ See National Mining Investment Law N° 24.196, (as amended by Law N° 25.429).

² See National Decree N° 2.686, (as amended by Decree N° 1089).

1.5.2. **Amortization System:** Under the LIM , assets can be amortized in one of two ways (if one is chosen there cannot be a change to the other):

- a. The regular amortization system; or
- b. The accelerated amortization system under which a company can amortize capital investments according to the following procedure:
 - Investments on equipment, infrastructure for the operation of the mine:
 - Sixty per cent (60%) during the fiscal year in which the costs were incurred;
 - Forty per cent (40%) in equal parts, during the following two (2) years.
 - Investment in equipment, machinery, vehicles and other facilities, one quarter per year.

1.5.3. **Reimbursement of VAT on Exploration:** VAT credits derived from prospection, exploration and other related investments can be recouped after a year of its expenditure.

1.5.4. **Free Tax Import System:** Equipment, supplies and other accessories for the mining activities can be imported free of taxes subject to specific regulations issued by the Mining Authority³.

1.5.5. **Threshold on royalties:** The Provinces which have adhered to the LIM adopted a limit on the collection of royalties of three per cent (3%) of the “*boca mina*” value (which is the value of the mineral obtained in the first stage of its commercialization, deducting transport cost, administration fees, insurance, etc.).

1.5.6. **Environment:** For environmental protection purposes within the context of mineral exploitation activities, contribution to an environmental restoration fund by the mining company specifically in order to enable environmental repair actions is required. Accordingly, up to 5% of the income tax payments from extraction operating costs and profits may be deducted from the income tax payment, the unused amounts to be re-entered in the income tax balance at the end of the productive cycle.

³ See Mining Authority Resolution N° 45/03.

1.6. Tax regime applicable to export of lithium mineral

1.6.1. Export tax

Currently in Argentina since Law N°27,541 was enacted, a specific cap of 8% of the dutiable value or the official FOB price is applicable for lithium minerals.

1.6.2. Income tax

Corporate income (including income coming from export transactions) is levied at a 30% income tax rate (reduced to 25% income tax rate as from 2020).

1.6.3. Value added tax (VAT)

Export of goods are included in the scope of VAT but they are taxed at a zero rate (0%). Therefore, VAT is not levied on the output, but the VAT paid on inputs may be recovered through tax refunds, which should be requested by the taxpayer.

1.6.4. Tax on debits and credits

A tax on financial transactions is levied on debits and credits to current accounts and on cash movements or payments at a rate of 0,6% per transaction. 33% of the tax is creditable against income tax payable. The Federal Executive Branch has been allowed by Law N°27,432 to increase this percentage of computation once a year.

Accreditation of amounts in a current account that pay off export transactions are tax exempted.

1.6.5. Turnover tax

Provincial governments are entitled to impose tax on the turnover of businesses. The Federal Government and representatives of the Provinces (excluding the Province of San Luis) entered into a Fiscal Pact on various tax matters including turnover tax.

The Fiscal Pact was passed by Federal Congress and became Federal Law N°27,429, which was ratified by all local congresses except the Province of La Pampa.

According to the Fiscal Pact, local jurisdictions committed to mining exploitation are subject to the following tax treatment:

- Year 2018: levied at a 1.50% rate,
- Year 2019: levied at a 0.75% rate,

-From 2020 to 2022: exempted.

1.7. Province of Jujuy: Specific local tax regulation on mining activity

1.7.1. Stamp tax exemption:

On August 3rd 2000, the provincial Congress enacted Law N°5189 which abolished stamp tax applicable to all acts and agreements, of any nature, related to mining activity. This law has been incorporated into the provincial fiscal code.

1.7.2. Retributive tax:

Provincial Law N°5021 provides that for the registration of acts and agreements involving mining properties (such as constitutions, transmissions and encumbrances), the companies should pay 0.5% of the total amount to be paid under the relevant agreement.

1.7.3. Gross income tax:

Provincial Law N°5290 states that mining, prospecting and extraction activities are exempted from gross income tax.

1.7.4. Royalties:

The provincial fiscal code sets forth a percentage of three per cent (3%) over the pithead value ("*valor boca mina*") of the mineral obtained to be paid as royalties to the Province.

1.7.5. Benefit for exploitation activities:

Provincial Law N°4696 settles a benefit of a 2/3 reduction on the payable royalties where the beneficiary industrializes mineral or concentrate in the Province of Jujuy. This benefit is subject to the fulfilment of certain programs for the improvement of technology and employees' conditions.

II. CORPORATE INFORMATION

Hananta S.A. Corporate information

Description	Detail
Legal type	Sociedad Anónima (corporation)
Corporate purpose	The exploration and exploitation of mineral resources, supplier services, commercialization and import and export activities.
Incorporation date and registration data	<p>The Articles of Incorporation are dated January 12th, 2018. They were duly registered on April 5th, 2018 before the Public Registry of Commerce of the Province of Salta.</p> <p>Hananta S.A. is validly existing and in good standing under the laws of Argentina.</p>
Tax identification number	The tax identification number is 33-71552156-9.
Shareholders	<ul style="list-style-type: none"> Strike Operations Pty Ltd (now called LE Operations Pty Ltd), holder of 81,000 common shares of Pesos one hundred (\$100) par value and One vote per share, each (being 90% of the capital of Hananta); Xiaohuan Tang holder of 450 common shares of Pesos one hundred (\$100) par value and One vote per share each (being 0,5% of the capital of Hananta) Hanaq Argentina S.A. holder of 8,550 common shares of Pesos one hundred (\$100) par value and One vote per share, each (being 9,5 % of the capital of Hananta)
Legal domicile	Sarmiento 447, 3º floor, City of Salta, Province of Salta, Argentina.
Statutory capital	Pesos Nine Million (\$9,000,000).
Capital	<p>- Issued Capital: Pesos Nine Million (\$9,000,000);</p> <p>- Subscribed Capital: Pesos Nine Million (\$9,000,000); and</p> <p>- Paid in: \$9,000,000</p> <p>Ninety thousand (90,000) shares of \$100 (Pesos one hundred) par value, each, have been issued</p>
Fiscal year	Ends on December 31 st .

Description	Detail
Board of directors	<p>Pursuant to the Bylaws, the administration of the company is vested in a Board of Directors comprising the number of members fixed by the Shareholders' Meeting between a minimum of one and a maximum of five who shall hold office for two years.</p> <p>The current Board is as follows:</p> <p>President: William Matthew Johnson Vice President: Xiaohuan Tang Regular Director: Agustín Saravia Frías Alternate Director: Consuelo Saravia Frías Alternate Director: Peter Craig Smith</p> <p>The membership of the current Board is pending registration before the Public Registry of Commerce of Salta.</p>
Corporate books	<p>Shareholder Meetings Minute Books, Board Meeting Minute Books, Attendance at Shareholder Meetings, Deposit of Shares Book and Shares Register.</p>

III. MATERIAL AGREEMENTS

1. Memorandum of Understanding for acquisition of lithium mining properties in Argentina (“MOU”)

On February 28th, 2019 Strike Resources Limited, a public Australian company (“Strike”), Strike Operations Pty Ltd (now called “LE Operations Pty Ltd”), a wholly owned subsidiary of Strike, registered under the laws of Australia (“**Strike Operations**”), Hananta S.A., a corporation registered under the laws of Argentina (“**Hananta**”), Hanaq Argentina S.A. a corporation registered under the laws of Argentina (“**Hanaq**”), and Mr. Xiaohuan Tang (“**Tang**”) entered into a legally binding memorandum of understanding (“MOU”) for acquisition of lithium mining properties in Argentina.⁴

The key terms of the MOU are set out below:

Description	Detail
Details of mining concessions involved	<ol style="list-style-type: none"> 1. Mario Angel – File N°1707-S-2011, 2. Payo – File N°1514-M-2010, 3. Payo 1 – File N°1516-M-2010, 4. Payo 2 – File N°1515-M-2010, 5. Chico 1 – File N°1229-M-2009, 6. Chico V – File N°1312-M-2009, 7. Chico VI – File N°1313-M-2009, and 8. Silvia Irene, File N°1706-S-2011 (hereinafter, the “Mining Properties”).
Background	<p>Hananta was an entity whose ownership was as follows:</p> <ul style="list-style-type: none"> • 95% by Hanaq; and • 5% by Tang.
Purpose	<p>It is proposed that Hananta will enter into an exploration agreement with a purchase option (the Exploration Agreement) with Mr Moncholi as owner of the Mining Properties, which gives Hananta the exclusive right to acquire a 100% interest in the Mining Properties. Strike Operations will acquire a 90% shareholding interest in Hananta in consideration of the payment of US\$140,000 (which funds will be applied by Hananta to make the first payment under the Exploration Agreement) and Tang will hold with remaining 10%.</p>

⁴ Rights and obligations derived from the MOU were assigned in favor of Lithium Energy Limited pursuant to Section III Point (6).

Description	Detail
	<p>The US\$140,000 payment will be initially advanced as a loan by Strike and then subsequently capitalized in Hananta to deliver a 90% shareholding interest in Hananta to Strike Operations.</p> <p>The US\$140,000 has been paid and Strike Operations now has a 90% shareholding in Hananta.</p> <p>The parties agreed that Strike/Strike Operations will provide strategic management, project financing, technical and marketing support/services and all other reasonable support to Hananta to advance the project.</p> <p>Hananta will engage Hanaq for a minimum period of 12 months to provide facilities and personnel to deliver the services to support the development of the Project.</p> <p>In consideration for the services, Hananta will pay to Hanaq:</p> <ul style="list-style-type: none"> • until the approval of the EIA the amount of US\$15,000 plus VAT monthly in arrears; • after the approval of the EIA and until the expiry of the 12 months thereafter, the amount of US\$25,000 plus VAT monthly in arrears; and • after those 12 months, an amount to be agreed between Hananta and Hanaq. <p>In December 2020 Hananta and Hanaq agreed to revise the monthly payments to US\$2,500 plus VAT per month until such time as the EIA is approved at which time a new services fee will be negotiated between the parties.</p>
Funding	<p>Strike Operations shall fund all Hananta's payment obligations under the Exploration Agreement up to and including the completion of the bankable feasibility study ("BFS").</p> <p>After completion of the BFS, all funds required for the advancement of the project may be sourced by Hananta as components of debt and/or equity.</p>
Right of first refusal	<p>Hanaq shall grant to Strike/Strike Operations a first right of refusal for a period of 1 month to match a third party's competing offer in respect of Hanaq's rights under the MOU.</p>

Description	Detail
	After completion of the BFS and only while Hanaq continues to hold a 10% or greater shareholding interest in Hananta, Strike Operations will grant to Hanaq a first right of refusal for a period of 1 month to match a third party's competing offer in respect of Strike Operations' rights under the MOU.
Tag along offer	In case Strike/Strike Operations wishes to sell a part of its shares in Hananta to a third party, Hanaq shall have the right to include in such transfer their own shares in Hananta at the same price and on the same terms and conditions offered by the third party.

2. Exploration with an Option to Purchase Agreement.

On March 11th, 2019, Hananta and Pablo Moncholi ("**Moncholi**") entered into an Exploration with Option to Purchase Agreement.

("Exploration Agreement").

The key terms of the Exploration Agreement are set out below:

Description	Detail
Details of mining tenements involved	<ol style="list-style-type: none"> 1. Mario Angel – File N°1707-S-2011, 2. Payo – File N°1514-M-2010, 3. Payo 1 – File N°1516-M-2010, 4. Payo 2 – File N°1515-M-2010, 5. Chico 1 – File N°1229-M-2009, 6. Chico V – File N°1312-M-2009, 7. Chico VI – File N°1313-M-2009, and 8. Silvia Irene, File N°1706-S-2011 (hereinafter, the "Mining Properties"). <p>Under Certificate N°44 issued by the Judiciary Mining Authority on March 19th, 2019, it was certified that: a) Mr. Pablo Moncholi is the titleholder of the 8 mining tenements described in Section V below, b) they are in due process to be granted, c) free from encumbrances and d) the titleholder is also free for performing disposition acts on its assets.</p>
Purpose	Moncholi granted, in favor of Hananta, exclusive tenure of the Mining Properties during the term of the agreement and authorized Hananta to exercise all mining rights derived from the Mining Properties including the right to explore within the Mining Properties covered by the contract, with the option to purchase

Description	Detail
	the Mining Properties by paying the amounts set out in the Price section below.
Term	The agreement will be valid up until 42 months from the approval of the EIA for drilling.
Price	<p>Hananta to pay US\$140,000 to Moncholi 15 days after Moncholi obtains an ownership and good standing certificate of the Mining Properties issued by the Authority, provides evidence of the registration of File 1516-M-09 and the opening of a bank account.</p> <p>The following milestone payments are also applicable:</p> <ul style="list-style-type: none"> • six months after the approval of the drilling EIA, Hananta to pay Moncholi US\$120,000; • twelve months after the approval of the drilling EIA, Hananta is to pay Moncholi US\$330,000; • eighteen months after the approval of the drilling EIA, Hananta is to pay to Moncholi US\$880,000 in cash plus the amount of US\$750,000 either: a) in shares of any company listed in any Stock Exchange where Hananta or its shareholders have any participation, or b) paying said amount by wire transfer to Moncholi, at the election of Hananta; • thirty months after the approval of the drilling EIA, Hananta is to pay Moncholi US\$1,180,000 plus the amount of US\$1,000,000 either: a) in shares of any company listed in any Stock Exchange where Hananta or its shareholders have any participation, or b) paying said amount by wire transfer to Moncholi, at the election of Hananta; • forty-two months after the approval of the drilling EIA, Hananta is to pay Moncholi US\$1,190,000 plus the amount of US\$1,000,000 either: a) in shares of any company listed in any Stock Exchange where Hananta or its shareholders have any participation, or b) paying said amount by wire transfer to Moncholi, at the election of Hananta. <p>Hananta has the right to acquire the Mining Properties at any time by paying the outstanding amounts from time to time, being the total price: US\$3,840,000 plus US\$2,750,000 either: a) in shares of any company listed in any Stock Exchange where Hananta or its shareholders have any participation, or b) paying said amount by wire transfer to Moncholi, at the election of Hananta (less any amounts paid to date).</p>

Description	Detail
	The first payment of US\$140,000 has been duly made. The balance of the payments are subject to the receipt of the EIA approval for drilling.
Registration	<p>The Exploration Agreement entered into between Moncholi and Hananta was registered under N°45, 595, Book 41 of Mines Business Book.</p> <p>Therefore the Exploration Agreement is enforceable against third parties who might seek to claim a right over these tenements contrary to the rights granted to Hananta by Moncholi.</p>

3. Loan Agreement 1

On April 3rd, 2019, Hananta (as borrower) and Strike Operations (as lender) entered into a loan agreement pursuant to which Strike Operations would make available a line of credit for up to US\$250,000.

The key terms of Loan Agreement 1 are as follows:

Description	Detail
Purpose	<p>Strike Operations shall make available to Hananta a line of credit for a total amount up to US\$250,000.</p> <p>Hananta may request one or more disbursements.</p> <p>The loan will be used by the Hananta to finance the payment of the Exploration Agreement, mining working capital, payroll, capex and financial costs.</p>
Interest	The loan will accrue no interest.
Repayment	Hananta must repay each amount advanced by the lender after 3 months (or extension) counted as from each disbursement received.
Assignment	The loan may be assigned by Strike Operations in satisfaction of its obligations to lend money to Hananta under the terms of the MOU for the acquisition of lithium mining properties in Argentina.

4. Loan Agreement 2

On September 5th, 2019, Hananta (as borrower) and Strike Operations (as lender) entered into a loan agreement pursuant to which Strike Operations would make

available a line of credit for up to US\$150,000.

The key terms of Loan Agreement 2 are as follows:

Description	Detail
Purpose	<p>Strike Operations shall make available to Hananta a line of credit for a total amount up to US\$150,000.</p> <p>Hananta may request one or more disbursements.</p> <p>The loan will be used by the Hananta to finance the payment of the Exploration Agreement, mining working capital, payroll, capex and financial costs.</p>
Interest	The loan will accrue no interest.
Repayment	Hananta must repay each amount advanced by the lender after 3 months (or extension) counted as from each disbursement received.
Assignment	The loan may be assigned by Strike Operations in satisfaction of its obligations to lend money to Hananta under the terms of the MOU for the acquisition of lithium mining properties in Argentina.

5. Loan Agreement 3

On December 18th, 2020, Hananta (as borrower) and Strike Operations (as lender) entered into a loan agreement pursuant to which Strike Operations would make available a line of credit for up to US\$100,000

The key terms of Loan Agreement 3 are as follows:

Description	Detail
Purpose	<p>Strike Operations shall make available to Hananta a line of credit for a total amount up to US\$100,000.</p> <p>Hananta may request one or more disbursements.</p> <p>The loan will be used by the Hananta to finance the payment of the Exploration Agreement, mining working capital, payroll, capex and financial costs.</p>
Interest	The loan will accrue no interest.
Repayment	Hananta must repay each amount advanced by the lender after 3 months (or extension) counted as from each disbursement received.

Description	Detail
Assignment	The loan may be assigned by Strike Operations in satisfaction of its obligations to lend money to Hananta under the terms of the MOU for the acquisition of lithium mining properties in Argentina.

6. Assignment Agreement

On March 22nd, 2021, Strike Resources Limited (as Assignor) assigned and transfer all the rights, obligations and actions derived from the MOU detailed in **Section III, Point (1)** above in favour of Lithium Energy Limited (as Assignee).

The key terms of the assignment agreement are as follows:

Description	Detail
Purpose	Strike Resources Limited assigns and transfers to Lithium Energy Limited its contractual position in the MOU and all the rights, obligations and actions under the MOU. The Assignee accepts from the Assignor the assignment and releases the Assignor from all obligations and liabilities under the MOU.
Price	The assignment is free
Consent	LE Operations Pty Ltd, Hananta SA, Hanaq Argentina SA and Xiaohuan Tang expressly grant their consent in accordance with the requirements of article 23 of the MOU so as to: i) the Assignor assigns and transfers its contractual position under the MOU and all the rights, obligations and actions under the MOU to the Assignee; and ii) the Assignee becomes a Party in the MOU with LE Operations Pty Ltd, Hananta SA, Hanaq Argentina SA and Xiaohuan Tang.

IV. METHODOLOGY

In conducting our due diligence on the mining rights of the Mining Properties, we have reviewed and analysed the following documentation, laws and regulations applicable in Argentina and in particular, in the Province of Jujuy, as well as all other documents listed hereunder as we considered necessary and desirable as a basis for this legal update of due diligence, including without limitation:

- a) Analysis of the mining files at the Jujuy Judiciary Mining Authority ("*Juzgado Administrativo de Minas*") as well as at the Jujuy Administrative Mining Authority ("*Dirección de Minería*") related with each property.
- b) Certificate N°44 issued by the Judiciary Mining Authority on March 19th, 2019 which certifies that: a) Mr. Pablo Moncholi is the titleholder of the 8 mining tenements described in Section V below, b) they are in the process of being granted, c) they are free from encumbrances, and d) the titleholder is also entitled to perform disposition acts on its assets.
- c) National Constitution of the Republic of Argentina, Constitution of the Province of Jujuy.
- d) Mining Code of the Republic of Argentina, Law N° 1.919 as amended by Decree N° 456.
- e) Mining Procedure Code of the Province of Jujuy, Provincial Law N° 5186/00.
- f) Environmental Provincial Law of Jujuy Law N° 5063 and its regulations (Decree n° 5772/2010).
- g) Provincial Law N°5063 (Jujuy).
- h) Provincial Decree N°5772/10 (Jujuy).
- i) Provincial Decree N° 7592/11 (Jujuy)

V. MINING PROPERTIES LOCATED IN THE PROVINCE OF JUJUY

1. CHICO I (File Nº 1229-M/09)

a. Mining Dossier:

Legal Status: Manifestation of Discovery

Extension: 835,24 has

Application date: 15/09/2009

Location: Department of Susques, Province of Jujuy

Mineral: Borate and disseminated Lithium

Current Titleholder: Pablo Moncholi

b. Administrative process

15/09/2009 Mr. Mario Angel Blas Moncholi handed in an application for Manifestation of Discovery (“MD”) of Li and B disseminated.

22/09/2009 Graphic Registry informed only 1103.13 has are free within the requested area.

30/03/2010 Mr. Moncholi handed in the sample regarding the point of discovery.

22/09/2009 The Graphic Registry informed an overlapping with Mine Rioros I – File No. 1206-P-2009 over 268,02 has. It also informed that the application is within Exploration Permit No 111-B-2003 (541,05 has) and Exploration Permit No. 110-B-2003 (293,55 has). Both Exploration Permits are supposed to be relinquished.

11/12/2015 The Court informs the registration of a lien over the mining application regarding a Labor compensation.

27/09/2017 The Graphic Registry issued a report informing that there is an overlapping with Mine Rioros I and an easement on the surfaces requested. Only 800 ha are free.

09/04/2018 According to Mr. Moncholi’s death, legal terms regarding the administrative process have been suspended until his heirs prove their condition.

13/07/2018 Mr. Pablo Moncholi is appointed as provisory administrator of the heritage and the seizure over the Mine was lifted.

30/08/2018 Mrs. Natalia Ochoa submitted a purchase agreement of the mine in favour of Pablo Moncholi.

10/05/19 Exploration with option agreement entered into Pablo Moncholi and Hananta S.A. was registered under N°45, 595, Book 41 of Mines Business Book.
30/07/19 Pablo Moncholi accepted the free area informed by the Graphic Registry.

c. Environmental Impact Assessment (“EIA”):

The Court has ordered to deliver the official request for information (judicial office) regarding landowners and indigenous communities over the area to: i) Real State Office, (ii) Indigenous Communities Secretary, iii) Jujuy Institute of Colonization.

11/02/20 The official request for information has been duly delivered before the Real State Office.

11/02/20 The official request for information has been duly delivered before the Indigenous Communities Secretary.

11/02/20 The official request for information has been duly delivered before the Jujuy Institute of Colonization.

17/02/20 Real State Office answered the request. Landowners involved are: Jujuy Province and Olaroz Chico community.

28/2/20 Jujuy Institute of Colonization answered the request. Parcel 47, that belongs to Nicanor Vasquez (Administrative file MA-641-085/2004).

7/09/20 Indigenous Communities Secretary answered the request. Community involved Olaroz Chico.

9/12/20 The Exploration EIA has been submitted.

Next Steps: Analysis process of EIA and final approval by the Authorities.

d. Legal Labour, Legal Survey and Working and Investment Plan:

Not applicable yet

Next Steps: Within 100 days from registration, legal labour must be submitted.

e. Canon Payment:

Not applicable yet.

Conclusions: The mining file is in good standing. Upon fulfilling with the administrative process settled by law, the titleholder will get the final title in due time. There are no encumbrances, mortgages or liens pending on the mining application under analysis.

2. CHICO V (File Nº 1312-M/09)

a. Mining Dossier:

Legal Status: Manifestation of Discovery

Extension: 1800 has

Application date: 13/11/2009

Location: Department of Susques, Province of Jujuy

Mineral: Borate and disseminated Lithium

Current Titleholder: Pablo Moncholi.

b. Administrative process

13/11/2009 Mr. Mario Angel Blas Moncholi handed in an application for MD of Li and B disseminated.

19/11/2010 The Graphic Registry issued a report informing about a 1800 has free area, with neither overlapping nor easements. It also informed that the application is within Exploration Permit No 111-B-2003 (1066 has) and Exploration Permit No. 110-B-2003 (734 has). Both Exploration Permits are supposed to be relinquished.

11/12/2015 The Court informed the registration of a seizure over the mining application regarding a Labor compensation.

09/04/2018 According to Mr. Moncholi's death, legal terms regarding the administrative process were suspended until his heirs prove their condition.

13/07/2018 Mr. Pablo Moncholi is appointed as provisory administrator of the heritage and the seizure over the Mine was lifted.

30/08/2018 Mrs. Natalia Ochoa submitted a purchase agreement of the mine in favour of Pablo Moncholi.

31/01/2019 The Mining Judge asked the Graphic Registry to update its report.

18/02/2019 The Graphic Registry informed that the Free Area: 1800 has. The pediment has no overlaps, but is affected by an easement (Titleholder: Sales de Jujuy S.A.)

10/05/19 Exploration with option agreement entered into Pablo Moncholi and Hananta S.A. was registered under N°45, 595, Book 41 of Mines Business Book.

c. Environmental Impact Assessment ("EIA"):

The Court has ordered to deliver the official request for information (judicial office) regarding landowners and indigenous communities over the area to: (i)

Real State Office, (ii) Indigenous Communities Secretary and (iii) Jujuy Institute of colonization.

29/07/19 The official request for information have been duly delivered.

16/08/19 The Jujuy Institute of colonization informed that there is no cadastral parcel affected and suggests that the Indigenous Communities Secretary makes its report.

6/9/19 The Real State Office informed that the landowners are the Province of Jujuy and the Olaroz Chico Community.

27/8/19 The Indigenous Communities Secretary informed that the communities involved are: El Toro – Rosario de Susques Community and Olaroz Chico Community.

9/12/20 The Exploration EIA has been submitted, along with “Payo 2 Mine – File 1515-M-2010”; “Chico V Mine – File 1312-M-2009”; “Chico VI Mine – File 1313-M-2009” and “Silvia Irene Mine – File 1706-S-2011”.

Next Steps: Analysis process of EIA and final approval by the Authorities.

d. Legal Labour, Legal Survey and Working and Investment Plan:

Not applicable yet.

Next Steps: Within 100 days from registration, legal labour must be submitted.

e. Canon Payment:

Not applicable yet.

Conclusions: The mining file is in good standing. Upon fulfilling with the administrative process settled by law, the titleholder will get the final title in due time. There are no encumbrances, mortgages or liens pending on the mining application under analysis.

3. CHICO VI (File Nº 1313-M/09)

a. Mining Dossier:

Legal Status: Manifestation of Discovery

Extension: 1400,18has

Application date: 13/11/2009

Location: Department of Susques, Province of Jujuy

Mineral: Borate and disseminated Lithium

Current Titleholder: Pablo Moncholi

b. Administrative process

13/11/2009 Mr. Mario Angel Blas Moncholi handed in an application for MD of Li and B disseminated.

19/11/2009 Graphic Registry informed only 1400.18 has are free within the requested area, and the pediment is within Exploration Permit No. 110-B-2003 (734 has). The Exploration Permit is supposed to be relinquished.

11/12/2015 the Court informs the registration of a seizure over the mining application regarding a Labour compensation.

09/04/2018 According to Mr. Moncholi's death, terms of the administrative process were suspended until heirs prove their condition.

13/07/2018 Mr. Pablo Moncholi is appointed as provisory administrator of the heritage and the seizure over the Mine was lifted.

30/08/2018 Mrs. Natalia Ochoa submitted a purchase agreement of the mine in favour of Pablo Moncholi.

31/01/2019 The Mining Judge asked the Graphic Registry to update its report.

18/02/2019 The Graphic Registry updated its Report. The pediment has no overlapping, but is affected by an easement (9.05 has)

10/05/19 Exploration with option agreement entered into Pablo Moncholi and Hananta S.A. was registered under N°45, 595, Book 41 of Mines Business Book.

c. Environmental Impact Assessment ("EIA"):

The Court has ordered to deliver the official request for information (judicial office) regarding landowners and indigenous communities over the area to: (i) Real State Office.

12/07/19 The official request for information has been duly evidenced.

7/8/19 The Jujuy Institute of colonization informed that there is no cadastral parcel affected and suggests that the Indigenous Communities Secretary makes its report.

30/07/19 The Real State Office informed that the landowner is the Olaroz Chico Community.

27/8/19 The Indigenous Communities Secretary informed that the community involved is Olaroz Chico Community.

9/12/20 The Exploration EIA has been submitted, along with "*Payo 2 Mine – File 1515-M-2010*"; "*Chico V Mine – File 1312-M-2009*"; "*Chico VI Mine – File 1313-M-2009*" and "*Silvia Irene Mine – File 1706-S-2011*".

Next Steps: Analysis process of EIA and final approval by the Authorities.

d. Legal Labour, Legal Survey and Working and Investment Plan:

Not applicable yet.

Next Steps: Within 100 days from registration, legal labor must be submitted.

e. Canon Payment:

Not applicable yet.

Conclusions: The mining file is in good standing. Upon fulfilling with the administrative process settled by law, the titleholder will get the final title in due time. There are no encumbrances, mortgages or liens pending on the mining application under analysis.

4. PAYO (File Nº 1514-M/10)

a. Mining Dossier:

Legal Status: Manifestation of Discovery

Extension: 987,62 has

Application date: 05/11/2010

Location: Department of Susques, Province of Jujuy

Mineral: Borate and disseminated Lithium

Current Titleholder: Pablo Moncholi

b. Administrative process

05/11/2010 Mr. Mario Angel Blas Moncholi handed in an application for MD of Li and B disseminated.

13/12/2010 Graphic Registry informed only has are free within the requested area.

13/12/2010 The Graphic Registry informed only 989,75 has are free within the requested area, and the pediment is within Exploration Permit No. 587-M-2006 (891,50 has) and Exploration Permit No. 583-M-2006 (3,77 has) Both Exploration Permits are supposed to be relinquished.

30/04/2014 The applicant submitted the tenements` demarcation.

11/12/2015 the Court informs the registration of a seizure over the mining application regarding a Labour compensation.

15/09/2017 The Graphic Registry updated its Report. The pediment has an overlap with Mine South I (1195-P-2009).

09/04/2018 According to Mr. Moncholi's death, terms of the administrative process were suspended until heirs prove their condition.

13/07/2018 Mr. Pablo Moncholi is appointed as provisory administrator of the heritage and the seizure over the Mine was lifted.

30/08/2018 Mrs. Natalia Ochoa submitted a purchase agreement of the mine in favour of Pablo Moncholi.

10/05/19 Exploration with option agreement entered into Pablo Moncholi and Hananta S.A. was registered under N°45, 595, Book 41 of Mines Business Book.

c. Environmental Impact Assessment ("EIA"):

The Court has ordered to deliver the official request for information (judicial office) regarding landowners and indigenous communities over the area to: (i) Real State Office, (ii) Indigenous Communities Secretary and (iii) Jujuy Institute of colonization.

29/07/19 The official request for information has been duly evidenced.

16/8/19 The Jujuy Institute of colonization informed that there is no cadastral parcel affected and suggests that the Indigenous Communities Secretary makes its report.

27/8/19 The Indigenous Communities Secretary informed that the community involved is Huancar Community.

2/9/19 The Real State Office informed that the landowners are the Province of Jujuy and the Huancar Community.

9/12/20 The Exploration EIA has been submitted.

Next Steps: Analysis process of EIA and final approval by the Authorities.

d. Legal Labour, Legal Survey and Working and Investment Plan:

Not applicable yet.

Next Steps: Within 100 days from registration, legal labor must be submitted.

e. Canon Payment:

Not applicable yet.

Conclusions: The mining file is in good standing. Upon fulfilling with the administrative process settled by law, the titleholder will get the final title in

due time. There are no encumbrances, mortgages or liens pending on the mining application under analysis.

5. PAYO I (File Nº 1516-M/10)

a. Mining Dossier:

Legal Status: Manifestation of Discovery

Extension: 1973,24 has

Application date: 05/11/2010

Location: Department of Susques, Province of Jujuy

Mineral: Borate and disseminated Lithium

Current Titleholder: Pablo Moncholi

b. Administrative process

05/11/2010 Mr. Mario Angel Blas Moncholi handed in an application for MD of Li and B disseminated.

15/11/2010 Graphic Registry informed that the pediment is within Exploration Permit No. 111-B-2003. Exploration Permit is supposed to be relinquished.

30/04/2014 The applicant submitted the tenements` demarcation.

11/12/2015 the Court informs the registration of a seizure over the mining application regarding a Labor compensation.

09/04/2018 According to Mr. Moncholi`s death, terms of the administrative process were suspended until heirs prove their condition.

13/07/2018 Mr. Pablo Moncholi is appointed as provisory administrator of the heritage and the seizure over the Mine was lifted.

30/08/2018 Mrs. Natalia Ochoa submitted a purchase agreement of the mine in favour of Pablo Moncholi.

10/05/19 Exploration with option agreement entered into Pablo Moncholi and Hananta S.A. was registered under N°45, 595, Book 41 of Mines Business Book.

c. Environmental Impact Assessment (“EIA”):

The Court has ordered to deliver the official request for information (judicial office) regarding landowners and indigenous communities over the area to: (i) Real State Office, (ii) Indigenous Communities Secretary and (iii) Jujuy Institute of colonization.

2/10/19 The official request for information has been duly evidenced.

21/10/19 The Jujuy Institute of colonization informed that there is no cadastral parcel affected and suggests that the Indigenous Communities Secretary makes its report.

12611/19 The Real State Office informed that the landowner is Jujuy Province.

20/10/19 The Indigenous Communities Secretary informed that the community involved is El Toro Community.

9/12/20 The Exploration EIA has been submitted, along with “Payo 2 Mine – File 1515-M-2010”; “Chico V Mine – File 1312-M-2009”; “Chico VI Mine – File 1313-M-2009” and “Silvia Irene Mine – File 1706-S-2011”.

Next Steps: Analysis process of EIA and final approval by the Authorities.

d. Legal Labour, Legal Survey and Working and Investment Plan:

Not applicable yet.

Next Steps: Within 100 days from registration, legal labor must be submitted.

e. Canon Payment:

Not applicable yet.

Conclusions: The mining file is in good standing. Upon fulfilling with the administrative process settled by law, the titleholder will get the final title in due time. There are no encumbrances, mortgages or liens pending on the mining application under analysis.

6. PAYO II (File Nº 1515-M/10)

a. Mining Dossier:

Legal Status: Manifestation of Discovery

Extension: 2192,63 has

Application date: 05/11/2010

Location: Department of Susques, Province of Jujuy

Mineral: Borate and disseminated Lithium

Current Titleholder: Pablo Moncholi

b. Administrative process

05/11/2010 Mr. Mario Angel Blas Moncholi handed in an application for MD of Li and B disseminated.

15/11/2010 Graphic Registry informed that the pediment is within Exploration Permit No. 111-B-2003 (2192,63 has). Exploration Permit is supposed to be relinquished.

30/04/2014 The applicant submitted the tenements` demarcation.

11/12/2015 the Court informs the registration of a seizure over the mining application regarding a Labor compensation.

09/04/2018 According to Mr. Moncholi`s death, terms of the administrative process were suspended until heirs prove their condition.

12/07/2018 Mr. Pablo Moncholi is appointed as provisory administrator of the heritage and the seizure over the Mine was lifted.

30/08/2018 Mrs. Natalia Ochoa submitted a purchase agreement of the mine in favour of Pablo Moncholi.

31/01/2019 The Mining Judge asked the Graphic Registry to update its report.

14/02/2019 The Graphic Registry updated its Report. The pediment has an overlapping with Mine San Miguel II, and is affected by an easement- *File 1620-O-2011*” over 7,67 hectares. The area registered is for 2192.63 has.

10/05/19 Exploration with option agreement entered into Pablo Moncholi and Hananta S.A. was registered under N°45, 595, Book 41 of Mines Business Book.

c. Environmental Impact Assessment (“EIA”):

The Court has ordered to deliver the official request for information (judicial office) regarding landowners and indigenous communities over the area to: (i) Real State Office, (ii) Indigenous Communities Secretary and (iii) Jujuy Institute of colonization.

29/07/19 The official request for information has been duly evidenced.

8/8/19 The Jujuy Institute of colonization informed that there is no cadastral parcel affected and suggests that the Indigenous Communities Secretary makes its report.

2/9/19 The Real State Office informed that the landowner is the Province of Jujuy.

27/8/19 The Indigenous Communities Secretary informed that the community involved is El Toro – Rosario de Susques Community.

9/12/20 The Exploration EIA has been submitted, along with *“Payo 2 Mine – File 1515-M-2010”*; *“Chico V Mine – File 1312-M-2009”*; *“Chico VI Mine – File 1313-M-2009”* and *“Silvia Irene Mine – File 1706-S-2011”*.

Next Steps: Analysis process of EIA and final approval by the Authorities.

d. Legal Labour, Legal Survey and Working and Investment Plan:

Not applicable yet.

Next Steps: Within 100 days from registration, legal labor must be submitted.

e. Canon Payment:

Not applicable yet.

Conclusions: The mining file is in good standing. Upon fulfilling with the administrative process settled by law, the titleholder will get the final title in due time. There are no encumbrances, mortgages or liens pending on the mining application under analysis.

7. SILVIA IRENE (File Nº 1706-S/11)

a. Mining Dossier:

Legal Status: Manifestation of Discovery

Extension: 2348,13 has

Application date: 21/12/2011

Location: Department of Susques, Province of Jujuy

Mineral: Borate

Current Titleholder: Pablo Moncholi

b. Administrative process

21/12/2011 Mrs. Silvia Irene Schapiro handed in an application for MD of disseminated borate.

12/02/2015 Graphic Registry informed that the pediment is within Exploration Permit No. 111-B-2003 (2,591.63 has), Exploration Permit No. 280-V-2004 (197,89 has) and Exploration Permit No. 198-B-2006 (13,65 has). Also, informed the requested area is within the protected flora and fauna area and military security zone.

18/06/2016 Graphic Registry informed that the pediment has an overlap with Mine "Potosi X" (Titleholder Los Andes Compañía Minera) and is affected by an easement (Titleholder: Sales de Jujuy S.A.).

30/08/2018 Mrs. Natalia Ochoa submitted a purchase agreement of the mine in favour of Pablo Moncholi.

31/01/2019 The Mining Judge asked the Graphic Registry to update its report.

14/02/2019 The Graphic Registry updated its Report. The pediment has an overlapping with Mine Potosi X, *File 727-L-2007* and is affected by an easement - *File 1620-O-2011* over 3,70 hectares.

10/05/19 Exploration with option agreement entered into Pablo Moncholi and Hananta S.A. was registered under N°45, 595, Book 41 of Mines Business Book.

30/7/19 Pablo Moncholi accepted the free area informed by the Graphic Registry.

8/10/19 The area registered is for 2348,13 hectares.

c. Environmental Impact Assessment (“EIA”):

The Court has ordered to deliver the official request for information (judicial office) regarding landowners and indigenous communities over the area to: (i) Real State Office, (ii) Indigenous Communities Secretary, and (iii) Jujuy Institute of colonization.

24/10/19 The official request for information has been duly evidenced.

5/11/19 The Jujuy Institute of colonization informed that there is no cadastral parcel affected and suggests that the Indigenous Communities Secretary makes its report.

30/7/19 The Real State Office informed that the landowners are the Olaroz Chico Community and Jujuy Province.

5/12/19 The Indigenous Communities Secretary informed that the communities involved are Olaroz Chico Community and El Toro Community.

9/12/20 The Exploration EIA has been submitted, along with “*Payo 2 Mine – File 1515-M-2010*”; “*Chico V Mine – File 1312-M-2009*”; “*Chico VI Mine – File 1313-M-2009*” and “*Silvia Irene Mine – File 1706-S-2011*”.

Next Steps: Analysis process of EIA and final approval by the Authorities

d. Legal Labour, Legal Survey and Working and Investment Plan:

Not applicable yet.

Next Steps: Within 100 days from registration, legal labor must be submitted.

e. Canon Payment:

Not applicable yet.

Conclusions: The mining file is in good standing. Upon fulfilling with the administrative process settled by law, the titleholder will get the final title in due time. There are no encumbrances, mortgages or liens pending on the mining application under analysis.

8. MARIO ANGEL (File Nº 1707-S/11)

a. Mining Dossier:

Legal Status: Manifestation of Discovery

Extension: 542,92 has

Application date: 21/12/2011

Location: Department of Susques, Province of Jujuy

Mineral: Borates and Lithium

Current Titleholder: Pablo Moncholi

b. Administrative process

21/12/2011 Mrs. Silvia Irene Schapiro handed in an application for MD of disseminated Borate.

05/10/2012 Graphic Registry informed that the pediment is within Exploration Permit No. 111-B-2003 (542,92 has) and the pediment has an overlap with Mines "Potosi IV", "Potosi VI" and "Potosi VIII" (Titleholder Los Andes Compañía Minera).

24/08/2017 The Mining Judge informed that the discovered mineral does not correspond to the Application.

17/11/2017 Mrs. Natalia Ochoa, on behalf of Mrs. Silvia Schapiro, stated that the mineral requested by the applicant is Borate.

06/07/2018 The Graphic Registry updated its Report. The area registered is for 542,92 hectares (due to an overlap with "*Rioros I Mine – File 1206/P/2009*") and that the area is affected by an "*Easement – File 1620-O-2011*" over 3,80 hectares.

30/08/2018 Mrs. Natalia Ochoa submitted a purchase agreement of the mine in favour of Pablo Moncholi.

10/05/19 Exploration with option agreement entered into Pablo Moncholi and Hananta S.A. was registered under N°45, 595, Book 41 of Mines Business Book.

30/9/19 The area registered is for 542,92 hectares (due to an overlap with "*Rioros I Mine – File 1206/P/2009*") and that the area is affected by an "*Easement – File 1620-O-2011*" over 3,80 hectares.

c. Environmental Impact Assessment ("EIA"):

The Court has ordered to deliver the official request for information (judicial office) regarding landowners and indigenous communities over the area to: (i) Real State Office, (ii) Indigenous Communities Secretary, and (iii) Jujuy Institute of colonization.

10/10/19 The official request for information has been duly evidenced.

22/10/19 The Jujuy Institute of colonization informed that there is no cadastral parcel affected and suggests that the Indigenous Communities Secretary makes its report.

30/7/19 The Real State Office informed that the landowners are the Olaroz Chico Community.

4/12/19 The Indigenous Communities Secretary informed that the community involved is Olaroz Chico Community.

9/12/20 The Exploration EIA has been submitted.

Next Steps: Analysis process of EIA and final approval by the Authorities.

d. Legal Labour, Legal Survey and Working and Investment Plan:

Not applicable yet.

Next Steps: Within 100 days from registration, legal labor must be submitted.

e. Canon Payment:

Not applicable yet

Conclusions: The mining file is in good standing. Upon fulfilling with the administrative process settled by law, the titleholder will get the final title in due time. There are no encumbrances, mortgages or liens pending on the mining application under analysis.

VI. CONCLUSIONS

Corporate:

- i) Hananta S.A. has been duly incorporated in accordance with the laws of Argentina, it legally exists and is in good standing condition.
- ii) Strike Operations Pty Ltd now called LE Operations Pty Ltd holds 90% of the share capital stock of Hananta S.A.
- iii) Hanaq Argentina S.A. holds 9.5% of the share capital stock of Hananta S.A.
- iii) Xiaohuan Tang holds 0.5% of the share capital stock of Hananta S.A.

Agreements:


- The Exploration with Option to Purchase Agreement entered into Pablo Moncholi and Hananta S.A. is binding between the parties and duly registered before the Mining Authority.
- The assignment agreement between Strike Resources Limited in favor of Lithium Energy Limited has been duly executed on March 22nd 2021, and is binding between the parties. LE Operations Pty Ltd, Hananta SA, Hanaq Argentina SA and Xiaohuan Tang granted their consent to the assignment.

Mining properties:

The mining files mentioned in Chapter V and VI above are in good standing, free of encumbrances, under due process to be granted. Should the applicant continue with the administrative process, it will receive the final title in due time.



Carlos Saravia Frias
Abogado



Inés Saravia Frías
Abogada

30 March 2021

The Directors
Lithium Energy Limited
Level 2, 31 Ventnor Avenue
WEST PERTH WA 6005

Our ref LTH.025-0001

Dear Sirs

Solicitor's Tenement Report

This report (**Report**) is prepared for inclusion in a prospectus to be issued by Lithium Energy Limited ACN 647 135 108 (**Company**) for an offer by the Company of 45,000,000 fully paid ordinary shares in the Company (**Shares**) at an issue price of \$0.20 per share to raise \$9,000,000 (**Prospectus**).

1 Introduction

This Report relates to the following tenements:

- (a) exploration permit for minerals number 25443 granted under the *Mineral Resources Act 1989* (Qld) (**MR Act**) in Queensland (**EPM 25443**); and
- (b) exploration permit for minerals number 25696 granted under the MR Act in Queensland (**EPM 25696**),

(collectively, the **Tenements**).

The registered holder of the Tenements is Burke Minerals Pty Ltd.

Further details regarding the Tenements and a summary of our analysis of the Tenements is set out in the table included at the end of this Report (**Tenement Summary Table**). The Tenement Summary Table forms part of this Report.

In addition, for the purposes of the Prospectus, this Report contains information regarding the applicable laws relating to the Tenements in Queensland, Australia, which information is summary only and should not be taken as advice for particular circumstances.

A reference to a paragraph is a reference to a paragraph in this Report.

2 Searches

In the course of preparing this Report we have conducted and reviewed the following searches and enquiries in respect of the Tenements:

- (a) a search of the register maintained by the Queensland Department of Natural Resources, Mines and Energy (**DNRME**) pursuant to the MR Act, on 5 February 2021;
- (b) a search of the Native Title Register maintained by the National Native Title Tribunal (**NNTT**) as at 9 February 2021;
- (c) a search of the on-line mapping system, GeoResGlobe, operated by the Queensland Government on 11 February 2021 for the purposes of assessing overlapping tenure over the Tenements;
- (d) searches of the Cultural Heritage Database and Register maintained by the Queensland Department of Aboriginal and Torres Strait Islander Partnerships (**DATSIP**) on 9 February 2021;
- (e) the environmental authority (**EA**) information in respect of the Tenements obtained from the register maintained by the Department of Environment and Science (**DES**) on 8 February 2021;
- (f) a search of the public DES suitable operator register on 11 February 2021; and
- (g) a search of the public DES protected matters search tool, based on GeoResGlobe coordinates of the Tenements using a 10km radius, on 11 February 2021.

3 Results of Searches

3.1 Tenement Searches

Included in the Tenement Summary Table at the end of this report is a summary of the results of our searches into the Tenements on the register maintained by the DNRME. Subject to the assumptions and qualifications outlined at paragraph 4, we consider that the Tenement Summary Table and this Report comprise an accurate statement of the status of the Tenements as at the date the searches were undertaken.

3.2 Native Title Searches

We obtained searches of the Native Title Register on 9 February 2021 to ascertain if there are any native title claims, native title determinations or indigenous land use agreements (**ILUA**) that overlap with the area of the Tenements. The search results disclosed that the following Native Title determinations and ILUAs currently overlap the Tenements:

- (a) Native Title determination – Kalkadoon People #4 (QCD2011/007); and

- (b) various ILUAs entered into with the Kalkadoon People.

Further, we reviewed the DNRME resource authority public reports for each of the Tenements, which also contains details of how native title was addressed for the grant of the Tenements. Both of the Tenements were granted following application of the expedited procedure and the grants were made subject to the Native Title Protection Conditions (**NTPC**). The grant of higher forms of tenure (including mining leases) for all of the Tenements that include areas where native title may exist will require compliance with the *Native Title Act 1993* (Cth) (**NT Act**) for the relevant areas.

3.3 **Overlapping Tenements**

The rights and interests of exploration permit holders (which include the Tenements) may be affected by overlapping mineral, petroleum, exploration and production tenements.

We have reviewed the GeoResGlobe mapping system to determine whether any records of tenements held or sought by other parties overlap the Tenements. The results did not identify any overlapping tenements.

3.4 **Cultural Heritage Searches**

We obtained searches of the Cultural Heritage Database and Register maintained by DATSIP for information about cultural heritage studies and Aboriginal cultural heritage sites on 9 February 2021. The results identified:

- (a) no Aboriginal cultural heritage sites within the areas of the Tenements;
- (b) no Aboriginal party or cultural heritage body within the areas of the Tenements; and
- (c) no cultural heritage management plans recorded within the area of the Tenements.

The *Aboriginal Cultural Heritage Act 2003* (Qld) (**ACH Act**) imposes an obligation on any person carrying out an activity to take all reasonable and practicable measures to ensure the activity does not harm Aboriginal cultural heritage (known as the “cultural heritage duty of care”). This obligation applies regardless of whether such places are recorded in an official register and whether or not they are located on private or Crown land. There are various ways in which a person carrying out an activity can satisfy its statutory obligation under the ACH Act, including by acting in accordance with the following:

- (a) an approved cultural heritage management plan;
- (b) a cultural heritage management agreement with an Aboriginal party;
- (c) the NTPCs; or

- (d) the Cultural Heritage Duty of Care Guidelines (**Guidelines**).

It is noted that NTPCs may be used to discharge the cultural heritage duty of care (in lieu of following the Guidelines) where those tenements are granted subject to NTPCs. As mentioned in paragraph 3.2, the NTPCs apply in respect of the Tenements.

4 Assumptions and Qualifications

For the purposes of this Report, the following has been assumed (unless a contrary intention is specifically expressed in this Report):

- (a) the accuracy, completeness and (where copies are provided) conformity with the original of any documents provided to us for the purposes of conducting due diligence in relation to this Report and the information and statements received from the Company and the replies to our enquiries;
- (b) no relevant document, information or arrangement has been withheld from us;
- (c) information obtained by conducting searches of public registers maintained by government or regulatory authorities are accurate and up-to-date;
- (d) the holder of the Tenements has, to date, complied with the conditions of grant of the Tenements and any obligations under applicable environmental laws (including any financial assurance obligations);
- (e) there are no matters, facts or circumstances which would impinge on any future application for the renewal of the Tenements will be granted;
- (f) the tenement holder has, in connection with the Tenements, met its obligations with respect to any expenditure and work program requirements under the MR Act;
- (g) the description of any area in the DNRME search records, as reflected in the Tenement Summary Table, is accurate (it is not possible to verify the accuracy of those records without conducting further on-site surveys);
- (h) there are no other Native title or Aboriginal cultural heritage sites or objects that exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims and heritage sites have been registered over these areas, we have not conducted any independent investigations (whether on or off site) regarding the existence of native title or Aboriginal cultural heritage sites or objects; and
- (i) there are no additional searches, other than those undertaken as outlined at paragraph 2 that could be undertaken in relation to the matters considered by this Report.

5 Mining Legislation

The assessment, development and utilisation of mineral resources in Queensland is governed by the MR Act and the *Mineral Resources Regulation 2013* (Qld) (**MR Regulations**).

The MR Act establishes five distinct categories of mining tenements which each provide specific rights to explore or utilise land in pursuit of minerals in Queensland. These tenements include prospecting permits, exploration permits, development licences, mining claims and mining leases. For the purposes of this Report, we have only provided a summary of exploration permits, mineral development licenses and mining leases.

5.1 Exploration Permits

Overview

Exploration permits (**EPM**) permit entry to specified land to explore for minerals. Exploration permits are granted either for the exploration of coal, or for all 'minerals' other than coal.

'Mineral' is defined in the MR Act as a substance:

- (a) normally occurring naturally as part of the earth's crust; or
- (b) dissolved or suspended in water or within the earth's crust; or
- (c) that may be extracted from a substance mentioned in (a) or (b) above.

Exploration Rights

The Tenements (being EPMs) were granted to explore all minerals other than coal within the tenement area. An EPM provides exclusive rights to explore in the tenement area but does not permit mining, nor guarantee the grant of subsequent higher forms of tenure, such as mineral development licences or mining leases.

The MR Act defines 'explore' as taking action to determine the existence, quality and quantity of minerals on, in or under land or in the waters or sea above land by:

- (a) prospecting;
- (b) using instruments, equipment and techniques appropriate to determine the existence of any mineral;
- (c) extracting and removing from land for sampling and testing an amount of material, mineral or other substance in each case reasonably necessary to determine its mineral bearing capacity or its properties as an indication of mineralisation; or

- (d) doing anything else prescribed under a regulation.

Land use and access

The right to 'explore' provided under the MR Act is limited by the operation of the *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld) (**MERCP Act**) which governs the entry and access to land of the tenement holder when undertaking exploration activities (among other things). The MERCP Act regulates the ability to enter and access tenements depending on the type of 'authorised activity' to which that access relates. The MERCP Act divides 'authorised activities' into either 'preliminary activities' or 'advanced' activities.

'Preliminary activities' are defined in the MERCP Act to be activities which will have no impact, or only a minor impact, on the business or land use activities of any owner or occupier of the land on which the activity is to be carried out. Accordingly, an exploration permit holder may obtain access to private land for a preliminary activity by providing prior written notice to the owner and occupier of the land. Examples of preliminary activities include:

- (a) walking the area of the permit or licence;
- (b) driving along an existing road or track in the area;
- (c) taking soil or water samples;
- (d) geophysical surveying not involving site preparation;
- (e) aerial, electrical or environmental surveying; and
- (f) survey pegging.

On the other hand, where an exploration permit holder intends to carry out advanced activities then, prior to carrying out that activity, it must ensure that each owner and occupier of the land:

- (a) is a party to a conduct and compensation agreement (**CCA**) about the advanced activity and its effects;
- (b) is a party to a deferral agreement;
- (c) has elected to opt out from entering into a conduct and compensation agreement or deferral agreement; or
- (d) is an applicant or respondent to an application relating to the land made to the Land Court.

Advanced activities are defined in the MERCP Act as an authorised activity for the tenement other than a preliminary activity for the tenement. Examples of advanced activities include:

- (a) levelling of drilling pads and digging sumps;
- (b) bulk sampling;
- (c) open trenching or costeaning with an excavator;
- (d) vegetation clear-felling;
- (e) constructing an exploration camp, concrete pad, sewage or water treatment facility or fuel dump;
- (f) geophysical surveying with physical clearing;
- (g) carrying out seismic survey using explosives;
- (h) constructing a track or access road; or
- (i) changing a fence line.

Additionally, certain activities which would ordinarily constitute preliminary activities are considered advanced activities where:

- (a) they are carried out on land that is less than 100ha or is being used for intensive farming or broadacre agriculture; or
- (b) they affect the lawful carrying out of an organic or bio-organic farming system.

The MERCP Act prohibits an exploration permit holder from entering 'restricted land' to carry out authorised activities unless each relevant owner or occupier for the restricted land has provided their written consent for the exploration permit holder to carry out the activity. The MERCP Act defines restricted land as:

- (a) land within 200m laterally of any of the following:
 - (i) a permanent building used for as a residence, a childcare centre, hospital, library, a centre used for community, sporting or recreational purposes, a place of worship or a business;
 - (ii) an area used for a school or a prescribed environmentally relevant activities under the *Environmental Protection Act 1994* (Qld) (**EP Act**) that is aquaculture, intensive animal feedlotting, pig keeping or poultry farming;
 - (iii) an area, building or structure prescribed by regulation; or
- (b) land within 50m laterally of any of the following:
 - (i) an area used for an artesian well, bore, dam or water storage facility, a principal stockyard or a cemetery or burial place; or

- (ii) an area, building or structure prescribed by regulation.

Term

The initial term of an EPM is granted for a period not exceeding 5 years, unless the Minister determines otherwise, commencing on the date specified in the EPM (being a date not earlier than the date of the permit). An exploration permit holder may apply for a renewal of the permit within the six to three month period before the EPM is set to expire.

Rent

Rent is payable by the exploration permit holder prior to the grant of the EPM and then annually, before the anniversary of the permit's grant. The current rental rate for EPMs is \$164.90 (excluding GST) per sub-block.

Conditions

EPMs are granted pursuant to standard and special conditions, which include:

- (a) complying with the mandatory provisions of the land access code and the small scale mining code, where relevant;
- (b) carrying out the program of work or proposed studies for the purposes for which the EPM was granted and in accordance with the MR Act;
- (c) carrying out improvement restoration for the EPM;
- (d) an obligation to remove all equipment and plant on or in the area of the EPM prior to the permit's expiration;
- (e) not obstructing or interfering with any right of access by a person who has a right of access;
- (f) preparing and providing an annual report, relinquishment report and exploration study report to the Minister within the time frames established by the MR Act;
- (g) complying with rental obligations and paying any security deposit required by the Minister from time to time;
- (h) complying with the MR Act and MR Regulations; and
- (i) any other conditions as are prescribed or determined by the Minister.

Relinquishment

The total area of an EPM must be reduced by 40% by the end of the first 3 years after the permit is granted and by a further 50% of the remaining area of the permit by the

end of the first 5 years after the permit is granted. These relinquishment obligations recur each time the EPM is renewed, with the area of the EPM subject to a 40% reduction by the end of the first 3 years after the day the renewed permit started and by a further 50% of the remaining area of the EPM by the end of the first 5 years after the day the renewed permit started.

Additionally, an exploration permit holder may voluntarily reduce the area of the EPM by identifying sub-blocks of land it no longer wants to be included in the EPM and applying to the chief executive to relinquish those sub-blocks. The Minister may approve or refuse the proposed reduction.

Compensation

The exploration permit holder is liable to compensate each owner and occupier of private or public land that is in the authorised area of, or is access land for, the EPM (each an **Eligible Claimant**) for any 'compensatable effect' the Eligible Claimant suffers as a result of the authorised activities caused by the exploration permit holder. A 'compensatable effect' is defined in section 81 of the MERC Act to mean:

- (a) all or any of the following relating to the Eligible Claimant's land:
 - (i) deprivation of possession of its surface;
 - (ii) diminution of its value;
 - (iii) diminution of the use made or that may be made of the land or any improvement on it;
 - (iv) severance of any part of the land from other parts of the land or from other land that the Eligible Claimant owns;
 - (v) any cost, damage or loss arising from the carrying out of activities under the tenement on the land; and
- (b) consequential loss the Eligible Claimant incurs because of a matter mentioned in paragraph (a).

Variation to Conditions

An exploration permit holder may apply to the Minister to vary the conditions of an existing EPM. Common variations include relinquishing obligations to allow the exploration permit holder to retain a larger portion, or the full portion of the EPM or to vary additional conditions imposed by the Minister when the EPM was granted which are no longer relevant.

Cancellation

The Minister may cancel an EPM or impose a penalty if the EPM holder:

- (a) requests the cancellation;
- (b) has carried out activities that are not bona fide for the purposes for which the EPM was granted;
- (c) has failed to pay any moneys (other than rent) payable with respect of the EPM by the due date for payment;
- (d) has failed to pay rent or a penalty imposed by the Minister within the time allowed for payment;
- (e) has failed to comply with any condition that is to be observed and performed by the exploration permit holder; or
- (f) has failed to report to the Minister upon the discovery of any mineral as required by the MR Act.

5.2 Mineral Development Licenses

Overview

Mineral development licences (**MDL**) are issued for the purpose of undertaking further studies of a resource to evaluate the development potential of the defined resource.

Generally, a MDL can only be granted in respect of land which falls within the area of an exploration permit held by the MDL applicant for the same mineral where there is a significant mineral occurrence of possible economic potential. In addition to activities allowed under exploration resource authorities for coal or minerals, a MDL allows the holder to:

- (a) conduct feasibility studies, geoscientific programs (for example drilling, seismic surveys), metallurgical testing and environmental studies;
- (b) carry out engineering design studies; and
- (c) carry out marketing, environmental, engineering and design studies to evaluate the development potential of the defined resource.

Term

A MDL can be granted for a period not exceeding five years. A MDL holder may apply for a renewal not more than 12 months and not less than six months (unless the Minister determines otherwise) prior to the expiration of the current term.

Rent

Rent is payable by the MDL holder prior to the grant of the MDL and then annually, before the anniversary of the licence's grant. Rent for the MDL is calculated using the appropriate annual rental rate and including a discount based on the area of the licence.

The current rental rate for MDLs varies between \$4.55 (excl GST) per hectare for the first year to \$29.90 (excl GST) per hectare after 4 years.

Area discounts also apply in respect of MDLs which vary depending on the size of the MDL area, as follows:

- (a) first 1,000ha – 0% discount;
- (b) next 1,000ha – 60% discount;
- (c) next 3,000ha – 75% discount;
- (d) next 10,000ha – 95% discount; then
- (e) each additional 1ha – 99% discount.

5.3 Mining Leases

Overview

A mining lease (**ML**) provides the lease holder, and their employees, agents and contractors, exclusive rights to enter land in the lease area for mining activities, to extract, process, stockpile, remove and sell minerals from the lease area.

Term

A ML is granted for an initial period as determined by the Minister. The initial term of a ML commences on the first day of the month following the grant of the ML. The term of a ML cannot be longer than the period for which compensation has been agreed or decided (see compensation section below).

A ML holder may apply to the Minister for renewal of the ML by lodging an application with the chief executive within the six month to one year period prior to the expiration of the current term.

Grant Requirements

When applying for a ML, the applicant must demonstrate:

- (a) that there are sufficient reasons why the ML should be granted in respect of the area, shape, and term of the proposed ML;
- (b) a proposed mining program, including its method of operation and commencement date, or if a mining program is not proposed, an outline for the use of the proposed lease area that is acceptable to the chief executive;
- (c) an infrastructure requirement proposal necessary to enable the mining program to proceed or outline of additional activities to be carried on to work out the infrastructure requirements that is acceptable to the chief executive;

- (d) a statement estimating the human, technical and financial resources proposed to be committed to authorised activities for the proposed ML during the term of the ML, if granted that is acceptable to the chief executive; and
- (e) that the applicant has the financial and technical resources to carry out activities pursuant to the ML.

Where the chief executive is satisfied that the applicant meets the requirements to apply for the ML and has complied with the requirements of the MR Act, including demonstrating the factors outlined above, the chief executive will give the applicant a written notice in respect of the ML application (**ML Notice**).

ML Notice Notification Requirements

The applicant must provide each person affected by the proposed ML, a copy of the ML Notice and a copy of the ML application (excluding particular carve outs for commercially sensitive information) within five (5) business days of receiving the ML Notice. Additionally, the applicant must publish the ML Notice in a newspaper which circulates generally in the area of land subject to the application. The ML Notice must specify the last day for affected individuals to lodge objections to the application.

For the purposes of a ML Notice, an 'affected person' is any person who is an owner of the subject land, an owner of land necessary to access the subject land, an owner of any adjoining land, the relevant local government and an entity that provides infrastructure wholly or partially on the subject land.

Objections

Objections may be lodged to the chief executive by any individual prior to the final day specified for the receipt of objections. Individuals objecting to the grant of the proposed ML must state the grounds of their objection and the facts and circumstances relied on by them in support of those grounds. Objections are referred to the Land Court for determination.

Compensation

A ML cannot be granted before compensation has been determined between the applicant and each person who is the owner of land the surface of which is the subject of the ML application, either by agreement or by determination of the Land Court. Land owners are entitled to receive compensation in respect of each 'compensatable effect' (as that term is defined in the compensation section of paragraph 5.1).

Minister's decision

The Minister may at any time reject an application for the grant of a ML if the Minister is satisfied that the applicant has not complied with the MR Act or, the Minister considers that it is not in the public interest for the ML to be granted.

If the Minister rejects the relevant ML application, the ML applicant may appeal against the rejection to the Land Court by lodging a written notice of appeal with the registrar of the Land Court within 20 business days of the rejection. The Land Court will hear and determine the appeal. The Land Court's decision in this regard is final.

6 Key Environmental Approvals

6.1 *Environmental Approvals*

In Queensland, a proponent for mining activities is required to obtain an EA under the EP Act before that mining or petroleum activity can be undertaken.

On 8 February 2021, DES's public EA register indicated that an EA has already been obtained for the activities authorised under each of the Tenements as follows:

- (a) effective on 7 April 2020 for EPM25696; and
- (b) effective on 8 October 2019 for EPM25443.

Each EA is subject to the standard conditions contained in the Code of Environmental Compliance for Exploration and Mineral Development Projects (**Code**). These conditions must be complied with in carrying out activities on the Tenements.

It is expected that, as part of any application process for a ML, an environmental impact assessment process will also be required to be undertaken pursuant to the requirements of the EP Act. To the extent that an approval is also required under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (**EPBC Act**) for the actions proposed to be undertaken by the Company, it is expected that the environmental impact assessment will be undertaken so that one assessment will meet the requirement of both the EP Act and EPBC Act.

6.2 *Suitable operator*

A registered suitable operator is a person who is registered with the DES as being suitable to carry out an environmentally relevant activity pursuant to the EP Act.

Public search results indicate that Burke Minerals Pty Ltd is registered as a suitable operator under the EP Act.

6.3 *Matters of national environmental significance*

Commonwealth approval is required under the EPBC Act where proposed activities on land constitute a 'controlled action' (as defined under the EPBC Act). This depends on whether the activities are likely to have a significant impact on matters of national environmental significance as set out in the EPBC Act.

Public searches indicate there may be some matters of national environmental significance that may exist in the general area of the Tenements.

6.4 *Environmentally sensitive areas*

Public searches indicate the presence of ‘environmentally sensitive areas’ (**ESA**) on the Tenements. The Code defines ESAs to be locations, however large or small, that have environmental values that contribute to maintaining biological diversity and integrity, have intrinsic or attributed scientific, historical or cultural heritage value, or are important in providing amenity, harmony or sense of community.

The Tenements contain “Category B” ‘environmentally sensitive areas’ (**ESA**), classified as “Endangered Regional Ecosystems – regrowth and remnant (Biodiversity Status)” partially within the boundary of each Tenement.

As set out in paragraph 6.1, the EAs for each Tenement are subject to standard conditions under the Code. The Code imposes the following relevant conditions with respect to ESAs:

- (a) activities must not be carried out in a Category B ESA; and
- (b) activities involving machinery must not be carried out within 500 metres of a Category B ESA.

Carrying out activities in contravention of the above limitations (and any other applicable limitations set out in the Code) would be an offence under the EP Act.

7 **Native Title**

The NT Act recognises the traditional rights and interests of Aboriginal and Torres Strait Islander peoples in Australia. The grant of a tenement after 1 January 1994 will generally constitute a ‘future act’ within the meaning of the NT Act where native title cannot be shown to be extinguished since the grant of such tenements will affect native title rights and interests (**Future Act**).

The NT Act establishes the ‘Expedited Procedure’ process for Future Acts. A Future Act must comply with certain requirements for the Future Act to be valid under the NT Act, including that the Future Acts are:

- (a) not likely to interfere directly with the carrying on of the community or social activities of the persons who are the holders of Native Title in relation to the land or waters concerned;
- (b) not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are the holders of the Native Title in relation to the land or waters concerned; and
- (c) not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land or waters concerned.

As mentioned in paragraph 3.2, the DNRME resource authority public reports indicate that the Tenements are granted with the NTPCs attached as conditions of the grant. The NTPCs contain specific requirements around notification of exploration activities and timeframes for responses by the Native Title parties. In addition to allowing grant of the Tenements pursuant to the expedited procedures, the NTPCs establish a regime for the holder of the tenement to manage its legislative Aboriginal cultural heritage obligations. The expedited process is where the Company can address any Native Title rights faster when the State anticipates the activities will have minimal effect on Native Title rights and interests.

8 Indigenous Land Use Agreement

8.1 *Background to ILUAs*

An ILUA is a contractual arrangement governed by the NT Act. Under the NT Act, an ILUA must be negotiated with all registered Native Title claimants for a relevant area. The State of Queensland and the applicant for the tenement are usually the other parties to the ILUA. An ILUA must set out the terms on which a tenement can be granted and will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered Native Title claimants and holders of Native Title in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole Native Title claimant group and all holders of Native Title in the area (including future claimants), even though they may not be parties to it.

Public searches indicate that the land under both the Tenements are subject to ILUAs with the Kalkadoon People.

8.2 *Right to Negotiate*

Procedural rights are given to determined native title holders or registered native title claimants of the area of land that will be affected by the grant of the tenement. The procedural rights take the form of a right to negotiate (**RTN**) about the grant of the tenement.

For exploration tenements, the 'Expedited Procedure' under section 32 of the NT Act can apply (as described in paragraph 7) and, in such circumstances, the RTN does not apply. The native title parties for the area have the right to object to the application of the expedited procedure within four months of the date of the notice of the proposed grant of a tenement in accordance with section 32 of the NT Act.

Where there are no objections or if the objections are withdrawn, the tenements can be granted subject to the NTPCs (which set out procedures for managing the impacts of tenement activities on any extant native title rights and interests and sites of particular significance).

Where there are no registered native title claims or determinations that native title exists at the end of four months after a notice of the proposed grant is issued, there are no further obligations under the NT Act for the State of Queensland to meet in order to grant the tenement. If areas where native title exists or may exist are excluded from a tenement, no compliance requirements under the NT Act apply. However, if the tenement holder wishes to conduct exploration activities over such areas, the RTN or expedited procedure will need to be completed and the areas added to the tenement.

Public searches indicate that the Tenements were both granted subject to NTPCs pursuant to the 'Expedited Procedure'.

For the grant of a higher form of tenure (such as a mineral development licence or a mining lease) which includes any areas where native title exists or may exist, compliance with the NT Act will be required. Again, if there are no registered native title claims or determinations that native title exists at the end of four months after the notice of the proposed grant is issued, no further requirements under the NT Act apply.

9 Aboriginal Cultural Heritage

The ACH Act recognises, protects, and conserves Aboriginal cultural heritage. In part, it achieves this protection by providing that any person who undertakes an activity has a 'Duty of Care' to take all reasonable and practicable measures to ensure that the activity does not harm Aboriginal cultural heritage.

Under the ACH Act, the 'Duty of Care' can be discharged in a number of ways, including:

- (a) an approved cultural heritage management plan with an Aboriginal party;
- (b) a 'native title agreement' (such as an indigenous land use agreement or an ancillary agreement) under the NTA;
- (c) 'another agreement' with an Aboriginal Party that makes provision for managing Aboriginal cultural heritage;
- (d) the cultural heritage duty of care guidelines; or
- (e) the NTPCs.

Penalties apply for failing to comply with the 'Duty of Care' of up to \$133,459 for an individual and \$1,334,500 for a corporation.

Search results obtained from DATSIP indicate that the Aboriginal Parties for both the Tenements are the Kalkadoon People #4 (NNTT number: QCD2011/007). The results did not identify any Aboriginal cultural heritage sites, any Aboriginal party or cultural heritage body or any cultural heritage management plans recorded within the area of the Tenements.

As discussed at paragraph 8.2, both of the Tenements are granted with the NTPCs. The ACH Act provides that acting in compliance with the NTPCs will constitute compliance with the ACH Act 'Duty of Care'.

10 Consent

This Report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus. This Report is not to be relied upon by, or disclosed to, any other person or used for any other purpose or quoted or referred to in any public document (other than in connection with the issue of the Prospectus) or filed with any Government body or other person (other than in connection with the Prospectus) without our prior written consent.

Yours faithfully



Squire Patton Boggs (AU)

Tenement Summary Table

Tenement	EPM 25443	
Minerals	All minerals other than coal	
Registered Holder	Burke Minerals Pty Ltd	
Tenement Status	Granted (4 September 2014)	
Term (Grant date-Expiry Date)	4 September 2014 to 3 September 2024	
Location	150km North of Cloncurry	
Rental	\$329.80 (\$164.90 per unit) due each year	
Relinquishment Obligations	<i>Current sub-blocks: 2</i>	<i>Relinquishment schedule:</i> 2017-2019: 2 sub-blocks 2019-2022: 1 sub-block
Minimum expenditure and work program requirements (I.e, not actual)	Year 6 <i>Activity:</i> Metallurgical studies 30 days Consultancy Studies 20 days Geophysical Data Reprocessing 5 days Total Expenditure: \$90,000	Year 7 <i>Activity:</i> Access or Drill Site Preparation costs 5 days Vehicle Hire Costs 30 days Diamond Drilling 2 holes for 300m Metallurgical studies 30 days Total Expenditure: \$148,000
	Year 8 <i>Activity:</i> Rehabilitation costs 10 days Geological Modelling 10 days JORC Resource Estimation 10 days Total Expenditure: \$75,000	Year 9 <i>Activity:</i> Resource Modelling 20 days Environmental assessment 30 days Total Expenditure: \$100,000
	Year 10 <i>Activity:</i> Scoping Study 80 days Diamond Drilling 10 holes for 1500m Access or Drill Site Preparation costs 5 days Rehabilitation costs 10 days Vehicle Hire Costs 90 days Metallurgical studies 50 days Geotechnical logging 10 days Total Expenditure: \$775,000	
Exclusions	Nil	
Dealings and encumbrances	Nil	
Unusual conditions of grant	Nil	
Overlapping tenements	Nil	

Tenement	EPM 25696	
Minerals	All minerals other than coal	
Registered Holder	Burke Minerals Pty Ltd	
Tenement Status	Granted (2 April 2015)	
Term (Grant date-Expiry Date)	2 April 2015 to 1 April 2025	
Location	32km west of Cloncurry	
Rental	\$989.40 (\$164.90 per unit) due each year	
Relinquishment Obligations	Current sub-blocks: 6	Relinquishment schedule: 2016-2018: 4 sub-blocks 2018-2020: 3 sub-block 2020-2023: 0 sub-blocks 2023-2025: 0 sub-blocks
Minimum expenditure and work program requirements (I.e, not actual)	Year 6 <i>Activity:</i> Geological Mapping (10 days) Consultancy Studies (10 days) Geophysical Data Reprocessing (5 days) Total Expenditure: \$40,000 <i>COVID-19 related variation of permit conditions:</i> Desktop Studies Total Expenditure: \$8000	Year 7 <i>Activity:</i> Access or Drill Site Preparation costs (5 days) Vehicle Hire Costs (30 days) Air Core Drilling (6 holes for 300m) Metallurgical studies (6 days) Total Expenditure: \$63,000
	Year 8 <i>Activity:</i> Rehabilitation costs (10 days) Geological Modelling (10 days) Consultancy Studies (10 days) Total Expenditure: \$60,000	Year 9 <i>Activity:</i> Metallurgical studies (20 days) Total Expenditure: \$25,000
	Year 10 <i>Activity:</i> Diamond Drilling (2 holes for 150m) Access or Drill Site Preparation costs (5 days) Rehabilitation costs (10 days) Vehicle Hire Costs (30 days) Metallurgical studies (10 days) Geotechnical logging (3 days) Total Expenditure: \$105,000	
Exclusions	Nil	
Dealings and encumbrances	Nil	
Unusual conditions of grant	Nil	
Overlapping tenements	Nil	

12. RISK FACTORS

An investment in the Company carries risk and prospective investors in the Company should consider the risk factors described in this section, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks associated with Lithium Energy's business and its involvement in the mineral exploration and development industry.

This section deals with the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks that may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which Lithium Energy intends to operate before any decision is made to apply for Shares in the Company.

Applicants should be aware that there are risks associated with any share investment. The prices at which the Company's securities trade may be above or below the issue price for the securities to be issued under this Prospectus. The trading price of the securities is likely to be highly volatile and could be subject to wide fluctuations in response to factors such as (among others) additions or departures of key personnel, litigation, media reports, the results of exploration activity or variations in Lithium Energy's operating performance.

The securities issued under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on the ASX. There can be no guarantee that Lithium Energy will achieve its stated objectives or that forward-looking statements (if any) will be realised.

Prospective investors should note that this section is not an exhaustive list of the risks associated with an investment in Lithium Energy and it should be considered and read in conjunction with other information disclosed in this Prospectus including those risks outlined in Section 2D (Investment Overview – Key Risks). Additional risks and uncertainties that Lithium Energy is unaware of, or that it currently does not consider to be material, may also become important factors that may have an adverse effect on Lithium Energy's future financial performance, financial position and prospects.

12.1 INVESTMENT IN ARGENTINA

The Solaroz Lithium Project is located in Argentina, South America. Argentina is a less-developed country (when compared to Australia) with associated political, economic, legal and social risks. Consideration should be

given to the risks associated with operating in Argentina as it has an economy and legal system different from that of some developed countries.

There can be no assurance that the systems of government and the political system will remain stable. There can be no guarantee that government regulations relating to foreign investment, nationalisation of private assets, repatriation of foreign currency, taxation and the mining industry in Argentina will not be enacted, amended and / or replaced in the future to the detriment of Lithium Energy's business and / or Projects. Outcomes before courts in Argentina may be less predictable than in Australia, which could affect the enforceability of contracts entered into by Lithium Energy in these countries. There can be no guarantee that civil, ethnic or military unrest will not break out in Argentina in the near future.

Lithium Energy's operations may be impacted by currency fluctuations, political reforms, changes in Argentinian government policies and procedures, labour disputes, corruption, uncertain political and economic environments, civil disturbances and crime, arbitrary changes in law or policies, opposition to mining from environmental or other non-governmental organisations or changes in political attitudes towards mining activities, infrastructure and increased financing costs. The likelihood of any of these changes, and their possible effects, if any, cannot be determined by Lithium Energy with any clarity at the present time, but they may include disruption, increased costs and, in some cases, total inability to establish or to continue to operate mining exploration or development activities.

Changes to the mining law or to other government legislation and regulations in Argentina, or to the division of regulatory powers between the central government and local and provincial bodies, may materially impact on the ability of Lithium Energy to operate in Argentina and on the ultimate profitability of the Solaroz Lithium Project to be developed in Argentina. In the event that an economic resource is identified at the Solaroz Lithium Project in Argentina there can be no assurance that all or any of the relevant approvals and permits necessary to conduct mining operations will be granted by the Argentinian government and other appropriate regulatory authorities.

Mining projects developed in areas of the country where there is a high index of poverty (social or community) carries with it the risk of social unrest and protests where issues arise with community groups, which in extreme cases can lead to violent up-risings against a particular mining company. The risk of terrorism activities in Argentina and South America generally and the resulting impact upon relevant Projects is also a relevant risk factor.

12. RISK FACTORS

If any contracts regulating Lithium Energy's interest in relevant Projects were unenforceable in whole or in part, Lithium Energy would be adversely affected to the extent of any such unenforceability. In practical terms, the enforcement of contractual rights in Argentina may be difficult. Accordingly, if any party breaches its obligations under relevant contracts it may be difficult for Lithium Energy to achieve specific performance or gain satisfactory compensation. Even if Lithium Energy is able to enforce its rights, it may only be able to do so over an extended period of time and at a potentially high cost.

There are also added risks attaching to exploration and mining operations in a developing country such as Argentina which are not necessarily present in a developed country which can impact on a range of factors such as sovereign risk, safety, security, costs, ability to operate, country policy, fiscal provisions and laws and can lead to delays or even the suspension of operations.

Lithium Energy has made investment and strategic decisions based on information currently available to the Directors. Should there be any material change in the political, economic, legal and social environments in Argentina or South America generally, the Directors may reassess investment decisions and commitments to assets in this country and region.

12.2 EXPLORATION RISK

The Tenements in which Lithium Energy has an interest, as described in this Prospectus, are at various stages of exploration, and potential investors should understand that mineral exploration and development are high risk undertakings. Mineral exploration involves significant risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. There can be no assurance that exploration of the Tenements described in this Prospectus, or any other Tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The current and future operations of Lithium Energy, including exploration, appraisal, development and possible production activities may be affected by a range of exploration and operating factors, including:

- geological conditions including the particular attributes of the deposit, such as size, quality and proximity to infrastructure;
- limitations on activities due to seasonal or adverse weather patterns;
- alterations to programme and budgets;
- unanticipated operational and technical difficulties encountered in geophysical surveys, drilling, metallurgical laboratory work and production activities;
- quality of geological data collected and recognition of quality of data;
- mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;
- industrial action, dispute or disruptions;
- unavailability of transport or drilling equipment to allow access and geological and geophysical investigations;
- unavailability of suitable laboratory facilities to complete metallurgical test work investigations;
- failure of metallurgical testing to determine a commercially viable product;
- shortages or unavailability of manpower or appropriately skilled manpower;
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- prevention or restriction of access by reason of inability to obtain consents or approvals;
- commodity prices which are highly cyclical;
- government regulations, including regulations relating to prices, taxes, royalties, land tenure, ability to explore, land use, importing and exporting of minerals and environmental protection;
- natural disasters; and
- a pandemic that restricts economic activity and travel.

The exact effect of these factors cannot be accurately predicted, but one or more or a combination of these factors may result in Lithium Energy not receiving an adequate, or any, return on invested capital for any exploration activities that may be undertaken in the future.

Lithium Energy's exploration costs are also based on certain assumptions with respect to the method and timing of exploration. These estimates and assumptions are subject to uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. There is no guarantee that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the prospects of Lithium Energy's business and operations.

12. RISK FACTORS

12.3 EARLY STAGE EXPLORATION

The Solaroz Tenements which are the principal focus of Lithium Energy are in the early stages of exploration and do not contain any mineral resources that are consistent with the JORC Code.

Further exploration and evaluation of data is required to determine whether there is mineralisation within such Tenements that can be determined to be a Mineral Resource consistent with the JORC Code. There can be no assurance that Lithium Energy will be able to establish a Mineral Resource in accordance with the JORC Code.

12.4 RESOURCE ESTIMATES

The Independent Technical Assessment Report set out in Section 9 of this Prospectus has been prepared in accordance with the VALMIN Code (which is binding upon members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG)), the JORC Code and ASIC Regulatory Guides RG111 and RG112 (which pertain to independent expert reports).

Lithium Energy has provided a JORC Code compliant Mineral Resource Estimate (MRE) for its Burke Mining Tenement. The Mineral Resource estimate detailed in this Prospectus are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect Lithium Energy's operations.

12.5 CONTRACT RISK

The Company currently indirectly owns 90% of Argentine registered company, Hananta (pursuant to the Hananta Agreement – refer Section 15.3) which, in turn, has the right to acquire ownership of the Solaroz Tenements upon the completion of staged payments to the Solaroz Owner (pursuant to the Solaroz Purchase Agreement – refer Section 15.4). Lithium Energy's shareholding in Hananta is held through the Company's wholly-owned Australian Subsidiary, LEOPL which, in turn, owns a 90% shareholding in Hananta.

Hananta's contractual rights in and to the Solaroz Tenements pursuant to the Solaroz Purchase Agreement is outlined in Section 15.4.

Essentially, Hananta's rights are dependant upon making milestone payments to the Solaroz Owner (a breakdown of which is also set out in Section 15.4), at the conclusion of which, there is an obligation for the Solaroz Owner to transfer legal title in the Solaroz Tenements to Hananta. There is a risk that despite Lithium Energy causing Hananta to fulfill its obligations to the Solaroz Owner pursuant to the Solaroz Purchase Agreement, the Solaroz Owner may fail to effect a legal transfer of the Solaroz Tenements to Hananta. In such circumstances, Lithium Energy will cause Hananta to assert its full legal rights under the Solaroz Purchase Agreement against the Solaroz Owner in order to protect its economic interest in these assets.

Please also refer to the Argentinian Legal Report in Section 10 for further details.

12.6 TITLE RISKS

The Solaroz Tenements are mineral exploration concessions awaiting grant to exploitation status. There is a risk that these Tenements will not be granted, which may be as a result of a number of factors including delays and issues with the grant process under local Argentinian law.

The Company notes that, as the Solaroz Tenements are subject to Argentinian law, it has no certainty as to whether the applicable political circumstances or legislative regime is, or will in the future be, favourable in respect of foreign investment, lithium generally, or the ownership of land rights (including Argentinian tenements) by foreigners.

The status of the Solaroz Tenements are outlined in Section 10 (Argentinian Legal Report).

Interests in Tenements in Australia are governed by the legislation of the State in which they are located and are evidenced by the granting of licences or leases. Each Tenement is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Lithium Energy could lose title to, or its interest in, Tenements if native title agreements are not reached, licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

The renewal of the term of a granted Tenement in Australia is subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the Burke Tenements comprising the Burke Graphite Project.

The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of Lithium Energy.

12. RISK FACTORS

12.7 NATIVE TITLE

In relation to the Burke Tenements or Tenements in Australia that Lithium Energy may in the future hold or secure, there may be areas over which legitimate common law native title rights of Aboriginal Australians (being the traditional owners in those circumstances) exist. If native title rights do exist, the ability of Lithium Energy to gain access to Tenements (including through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations, may be adversely affected.

Lithium Energy has a reasonable basis to believe that its current plans for exploration on the Burke Tenements will not be likely to breach its legislative obligation regarding Aboriginal heritage in the relevant area. To the extent this current view changes once Lithium Energy's further exploration programme commences, particularly with respect to the Corella Mining Tenement which has had no prior drilling undertaken, Lithium Energy intends to seek clearance to drill on the relevant parts of this Tenement by consulting with traditional owners and by undertaking further Aboriginal heritage and archaeological clearance surveys and if required other official processes. A risk exists that permission may not be given to undertake this drilling and this may negatively impact the affected Project's exploration drilling results. However, Lithium Energy intends to establish a strong consultative relationship with the traditional owners and precedent exists where historical drilling/exploration has been successfully completed at the Burke Mining Tenement which comprises the principal Tenement of the Burke Graphite Project.

The Directors will closely monitor the potential effect of any native title claims or Aboriginal heritage matters involving Tenements in which Lithium Energy has or may have an interest.

Please also refer to the Solicitor's Tenements Report (Australia) in Section 11 for further details.

Similar native title issues (although to a lesser degree) also apply to Argentinian tenements, whereby the relevant native title and community groups are required to be part of the approval process for exploitation permits in Argentina. There is a risk that this process may adversely impact the Company's ability to effectively exploit the Solaroz Tenements to the degree it currently contemplates. For more information please see the Argentinian Legal Report in Section 10.

12.8 ENVIRONMENTAL RISKS

The operations and proposed activities of Lithium Energy are subject to laws and regulation in Argentina and Australia concerning the environment.

As with most exploration projects and mining operations, Lithium Energy's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Many of the activities and operations of Lithium Energy are environmentally sensitive and cannot be carried out without prior approval from and compliance with, all relevant authorities.

The Solaroz Lithium Project is currently awaiting environmental approvals from the relevant Argentinian authorities. There can be no guarantee that such approvals will be granted. Failure to obtain such approvals will prevent Lithium Energy from undertaking its desired activities.

It is Lithium Energy's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, Lithium Energy may be liable for environmental rehabilitation, damage control and losses due to risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances. Breaches of environmental requirements could result in fines or closure of Lithium Energy's operations. Lithium Energy is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase Lithium Energy's cost of doing business or effect its operations in any area.

12.9 LIMITED OPERATING HISTORY

The Company was only recently incorporated (14 January 2021) and has no operating history and limited historical financial performance.

Lithium Energy also has limited data available with respect to its Solaroz Lithium Project upon which investors can base their evaluation of Lithium Energy's business and prospects.

As a result, Lithium Energy may not have sufficient data to address the risks frequently encountered by companies with a limited operating history, including Lithium Energy's ability to:

- establish and develop the Solaroz Lithium Project;
- conduct profitable mining operations; or
- anticipate and adapt to any changes in relation to government regulation, mergers and acquisitions involving Lithium Energy's competitors and other significant competitive and market dynamics.

The prospects of Lithium Energy must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of feasibility, which have a high level of inherent uncertainty.

12. RISK FACTORS

No assurance can be given that Lithium Energy will achieve commercial viability through the successful exploration and/or mining of its various Projects. Until Lithium Energy is able to realise value from its Projects, it is likely to incur ongoing operating losses

12.10 OPERATING RISK

The operations of Lithium Energy may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction rates and costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.

No assurances can be given that Lithium Energy will achieve commercial viability through the successful exploration and/or mining of its Tenements/Projects in which it has an interest or may acquire in the future.

Until Lithium Energy is able to realise value from its Projects, it is likely to incur ongoing operating losses.

12.11 ABILITY TO EXPLOIT SUCCESSFUL DISCOVERIES

It may not always be possible for Lithium Energy to participate in the exploitation of any successful discoveries that may be made in any areas in which Lithium Energy has an interest.

Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. Further, the decision to proceed to further exploration may require the participation of other companies or individuals whose interests and objectives may not be the same as Lithium Energy.

Such further work may also require Lithium Energy to meet or commit to financing obligations to which it may not have planned.

In addition, changes to foreign government policy may have an adverse impact on the Company's ability to export or exploit successful discoveries. For example, as explained in the Argentinian Legal Report in Section 10, recent changes to provincial laws in Argentina have declared lithium to be a "strategic" national resource for the economic development of the province. While no specific regulations have been imposed in respect of such a declaration as yet, it is possible that restrictions come into force in relation to lithium in future.

Other similar issues may arise with respect to any other Tenements which the Company acquires and invests in, in any other country, in the future.

12.12 MARKET AND TECHNOLOGY RISK

If Lithium Energy achieves success leading to mineral production, the marketability of any minerals produced will be affected by numerous factors beyond the control of Lithium Energy. These factors include technological advances which may impact negatively on the demand for the mineral commodities Lithium Energy may produce, market fluctuations in the prices of such commodities and government regulations including regulations relating to taxation, royalties, allowable production, importing and exporting of minerals and environmental protection.

12.13 COMMODITY PRICE VOLATILITY AND EXCHANGE RATE RISKS

If Lithium Energy achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of Lithium Energy to commodity price and exchange rate risks.

Commodity prices fluctuate and are affected by many factors beyond the control of Lithium Energy. Such factors include worldwide supply and demand for lithium carbonate and Graphite, technological advancements leading to a lowering of demand for these commodities, forward selling activities and other micro and macro-economic factors.

Such fluctuations and declines also could have a material adverse impact on the ability of Lithium Energy to finance the exploration and development of its existing and future mineral projects.

Furthermore, international prices of these commodities are mostly denominated in United States dollars, whereas the income and expenditure of Lithium Energy are and will be taken into account in Argentine (Peso) and Australian currency, exposing Lithium Energy to the fluctuations and volatility of the rate of exchange between the United States dollar, the Argentine Peso and the Australian dollar as determined in international markets.

12.14 PANDEMIC AND OTHER PUBLIC HEALTH RISKS

The ongoing COVID-19 pandemic and any other possible future outbreaks of viruses may have a significant adverse effect on Lithium Energy. The spread of such diseases amongst Lithium Energy's management, employees, contractors, suppliers and logistic networks, as well as any quarantine and isolation requirements, may reduce Lithium Energy's ability to operate and have detrimental financial implications.

12. RISK FACTORS

This risk is exacerbated by the fact that the Solaroz Lithium Project is located in Argentina with the head office of Lithium Energy located in Western Australia. Travel and other restrictions imposed on management, key employees and contractors travelling to and from Australia into Argentina together with internal Argentine restrictions on site access to the Solaroz Lithium Project will have an impact on the operations of Lithium Energy.

More broadly, Lithium Energy may be affected by the macroeconomic effects and ensuing financial volatility resulting from the pandemic and any other possible outbreaks.

While the final effects of the COVID-19 pandemic or other possible disease outbreaks are difficult to assess, it is possible that it will have a substantial negative effect on the economies where Lithium Energy operates in and could have an adverse effect on Lithium Energy's financial position.

12.15 CLIMATE RISKS

Adverse climatic conditions may adversely affect mining exploration and operations and cause a disruption to exploration and mineral production. Mining operations may also require access to an adequate supply of water.

There may be a requirement to identify an adequate water supply. Failure to do so may require certain production facilities to be located at a distance from mining operations requiring additional transport to the production facility and resulting in increased operating costs.

12.16 INSURANCE RISKS

Lithium Energy intends to adequately insure its operations in accordance with industry practice.

However, in certain circumstances, Lithium Energy's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of Lithium Energy. Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

12.17 VOLATILE SHARE MARKET CONDITIONS

The price of the Shares when quoted on ASX will be influenced by numerous international and domestic factors affecting conditions in equity, financial and commodity markets which are beyond the control of Lithium Energy.

These factors may affect the general level of prices for listed securities of mining and exploration companies quoted on ASX such as Lithium Energy or may be specific to the Shares offered under this Prospectus.

12.18 ADDITIONAL REQUIREMENTS FOR CAPITAL

Future funding will be required by Lithium Energy to support the further exploration of its various Projects and, depending on the ultimate viability of the Solaroz Lithium Project, the milestone payments in respect of the acquisition of the Solaroz Tenements from the Solaroz Owner under the Solaroz Purchase Agreement (see Section 15.4 for more details).

The extent of future capital requirements will depend on many factors, including Lithium Energy's exploration results. Additional funds may be needed to fully drill-out and exploit any mineralisation that may be discovered, to commence mining, to farm into, or to purchase other mining projects. The Directors will also investigate the most appropriate manner in which to obtain further funds at the relevant times. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If Lithium Energy is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

12.19 NO VALUATION

No formal independent valuation of any of the Tenements in which Lithium Energy has an interest, or the Shares, has been carried out.

12.20 RELIANCE ON KEY PERSONNEL

The responsibility of overseeing the day-to-day operations and the strategic management of Lithium Energy depends substantially on its Executive Directors, senior management and its other key personnel (both present and in the future). There can be no assurance given that there will be no detrimental impact on Lithium Energy if one or more of these persons cease to hold office or key employees cease their employment.

12.21 MAJOR SHAREHOLDER

Upon completion of the Offer, Strike will hold a relevant interest in 34,410,000 Shares of LEL, being 43.01% of the Shares on issue and will be the Company's largest Shareholder.

Strike could have a significant influence on the Company and its interests may not be aligned with other Shareholders' interests.

12. RISK FACTORS

Strike may also consider a sale of its Shares in the Company after the conclusion of any escrow period with respect to such Shares or it may at any time (subject to regulatory compliance) consider a distribution in specie of such Shareholding to Strike's own shareholders all of which may effect the trading price of the Company's Shares on the ASX.

12.22 NO PRIOR PUBLIC MARKET FOR THE SHARES

Prior to the Offer, no public market exists for the Shares. An active and liquid market for the Shares may not develop following the completion of the Offer, or, if developed, may not be maintained. If an active public market does not develop or is not maintained, the trading price of the Shares may decline below the Offer Price and investors may have difficulty reselling their Shares following the completion of the Offer or the ultimate selling price realised may be materially below the Offer Price.

12.23 GENERAL INVESTMENT RISKS

There is a risk that the price of Shares and returns to Shareholders may be affected by changes in: local and world economic conditions; interest rates; currency exchange risks; levels of tax, taxation laws and accounting practices; government legislation or intervention; inflation or inflationary expectations; natural disasters, social upheaval or war in Australia or overseas; disease and health outbreaks; and international hostilities and acts of terrorism, as well as other factors beyond the control of Lithium Energy.

12.24 INVESTMENT HIGHLY SPECULATIVE

The above list of risk factors ought not to be taken as exhaustive of the risks faced by Lithium Energy or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Lithium Energy and the value of the Shares offered under this Prospectus. Therefore, the Shares issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

In addition, the list of risk factors referred to above are not made in any order of priority and no emphasis should be placed on one risk factor at the expense of another simply because of its relative placement in the list referred to above.

Potential investors should therefore consider that the investment in the Company is **HIGHLY SPECULATIVE** and should consult their professional advisers before deciding whether to apply for Shares.

13. BOARD OF DIRECTORS

13.1 BOARD OF DIRECTORS

The Board of Directors and the Company Secretary comprise the following persons:

William M. Johnson Executive Chairman

<i>Appointed</i>	14 January 2021 (on incorporation)
<i>Qualifications</i>	MA (Oxon), MBA
<i>Experience</i>	William Johnson holds a Masters Degree in Engineering Science from Oxford University, England and an MBA from Victoria University, New Zealand. His 30-year business career spans multiple industries and countries, with executive/CEO experience in mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman, North Africa and Indonesia), telecommunications infrastructure investment (New Zealand, India, Thailand and Malaysia) and information technology and Internet ventures (New Zealand, Philippines and Australia). Mr Johnson is a highly experienced public company director and has considerable depth of experience in corporate governance, business strategy and operations, investment analysis, finance and execution.
<i>Relevant interest in securities</i>	2,850,000 Executive Options (each with an exercise price of \$0.30 and an expiry date of 18 March 2024). As a shareholder of Strike, Mr Johnson is also entitled to subscribe for Shares under the Strike Priority Offer – refer Section 13.3.
<i>Current directorships in listed entities</i>	Managing Director of Strike Resources Limited (ASX:SRK) (since 25 March 2013; Director since 14 July 2006) Executive Director of Bentley Capital Limited (ASX:BEL) (since 1 January 2016; Director since March 2009) Non-Executive Director of Molopo Energy Limited (ASX:MPO) (since 31 May 2018)
<i>Former directorships in other listed entities in past 3 years</i>	Keybridge Capital Limited (ASX:KBC) (29 July 2016 to 17 April 2020) Yowie Group Ltd (ASX:YOW) (10 April 2018 to 8 October 2018)

Peter C. Smith Executive Director

<i>Appointed</i>	18 March 2021
<i>Qualifications</i>	BSc (Geophysics) (Sydney), AIG, ASEG
<i>Experience</i>	Peter Smith has 35 years' experience in mineral exploration having worked for Normandy, Pasmaico, BHP-Billiton and Cliffs Natural Resources. Mr Smith has held exploration management positions in ASX-listed NGM Resources Limited (ASX:NGM) and NYSE-listed Cliffs Natural Resources (as Regional Exploration Manager for Australia and Oceania) and has been a Director of Volta Mining Limited (ASX:VTM) and Castillo Copper Limited (ASX:CCZ). Mr Smith brings a broad range of skills and experience in mineral exploration.
<i>Relevant interest in securities</i>	1,450,000 Executive Options (each with an exercise price of \$0.30 and an expiry date of 18 March 2024). Mr Smith is entitled (as a Burke Vendor) is also entitled to receive 450,000 Shares (valued at \$90,000 at \$0.20 per Share) on completion of the Burke SPA – refer Section 15.6 (Material Contracts).
<i>Other current directorships in listed entities</i>	None
<i>Former directorships in other listed entities in past 3 years</i>	Non-Executive Director of Castillo Copper Limited (ASX:CCZ) (April 2018 to January 2020)

13. BOARD OF DIRECTORS

Farooq Khan

Executive Director

<i>Appointed</i>	14 January 2021 (on incorporation)
<i>Qualifications</i>	BJuris, LLB (Western Australia)
<i>Experience</i>	Farooq Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in securities</i>	2,850,000 Executive Options (each with an exercise price of \$0.30 and an expiry date of 18 March 2024). As a shareholder of Strike, Mr Khan is also entitled to subscribe for Shares under the Strike Priority Offer – refer Section 13.3
<i>Other current directorships in listed entities</i>	Executive Chairman of: Strike Resources Limited (ASX:SRK) (since 18 December 2015; Director since 1 October 2015) Orion Equities Limited (ASX:OEQ) (since 23 October 2006) Bentley Capital Limited (ASX:BEL) (since 2 December 2003) Executive Chairman and Managing Director of: Queste Communications Ltd (ASX:QUE) (since 10 March 1998)
<i>Former directorships in other listed entities in past 3 years</i>	Keybridge Capital Limited (ASX:KBC) (Alternate Director from 26 June to 18 July 2019)

Victor P.H. Ho

Company Secretary

<i>Appointed</i>	14 January 2021 (on incorporation); also a Director between 14 January and 18 March 2021
<i>Qualifications</i>	BCom, LLB (Western Australia), CTA
<i>Experience</i>	Victor Ho has been in Executive roles with a number of ASX-listed companies across the investments, resources and technology sectors over the past 21 years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the investment management of listed investment companies (as an Executive Director and/or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America (Peru, Chile and Argentina), Indonesia and the Middle East (Saudi Arabia and Oman)) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and ASX compliance and investor/shareholder relations.
<i>Relevant interest in securities</i>	2,850,000 Executive Options (each with an exercise price of \$0.30, and an expiry date of 18 March 2024)
<i>Other current positions in listed entities</i>	Executive Director (also Company Secretary) of: Strike Resources Limited (ASX:SRK) (Director since 24 January 2014; Company Secretary since 30 September 2015) Orion Equities Limited (ASX:OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003) Queste Communications Ltd (ASX:QUE) (Secretary since 30 August 2000 and Director since 3 April 2013) Company Secretary of Bentley Capital Limited (ASX:BEL) (since 5 February 2004)
<i>Former positions in other listed entities in past 3 years</i>	Company Secretary of Keybridge Capital Limited (ASX:KBC) (13 October 2016 to 13 October 2019)

13. BOARD OF DIRECTORS

13.2 DIRECTORS' INTERESTS IN SECURITIES

At the date of this Prospectus the relevant interests of each of the existing Directors in the securities of the Company are as follows:

Director	No. of Securities
William Johnson	<ul style="list-style-type: none"> 2,850,000 Executive Options – refer Sections 13.5 and 16.3 As a shareholder of Strike, Mr Johnson is also entitled to subscribe for Shares under the Strike Priority Offer – refer Section 13.3
Peter Smith	<ul style="list-style-type: none"> 1,450,000 Executive Options – refer Sections 13.5 and 16.3 Mr Smith is entitled (as a vendor under the Burke SPA) to receive 450,000 Shares (valued at \$90,000 at \$0.20 per Share) on completion of the Burke SPA – refer Section 15.6 (Material Contracts)
Farooq Khan	<ul style="list-style-type: none"> 2,850,000 Executive Options – refer Sections 13.5 and 16.3 As a shareholder of Strike, Mr Khan is entitled to subscribe for Shares under the Strike Priority Offer – refer Section 13.3

Nothing in this Prospectus will be taken to preclude existing Directors, officers or employees of Lithium Energy from applying for Shares under the Prospectus.

13.3 DIRECTORS' ENTITLEMENT TO PARTICIPATE UNDER THE STRIKE PRIORITY OFFER

The following Directors of the Company are also Eligible Strike Shareholders who are entitled to subscribe for Shares under the Strike Priority Offer, as follows:

Director	Strike Shareholding	% Strike Issued Capital	Strike Priority Offer Entitlement to LEL Shares	% LEL Issued Capital
Farooq Khan	1,813,231	0.73%	332,000	0.74%
William Johnson	349,273	0.14%	64,000	0.14%

As at the date of this Prospectus, neither Mr Khan or Mr Johnson have advised Strike and/or the Company of their intention to take up all or part of their respective entitlements under the Strike Priority Offer.

13. BOARD OF DIRECTORS

13.4 REMUNERATION OF DIRECTORS

Under the Company's Constitution:

- (a) Subject to complying with the Corporations Act regarding disclosure of and voting on matters involving material personal interests, a Director may hold any office or place of profit in any other company, body corporate, trust or entity promoted by the Company or in which it has an interest of any kind
- (b) The amount of the remuneration of the Non-Executive Directors must not exceed the sum determined by the Company in general meeting from time to time (currently \$250,000 in aggregate) – this does not include remuneration in the form of share, option or other equity plans approved separately by the Company in general meeting.
- (c) The amount of the remuneration of the Non-Executive Directors is to be divided among them in the proportion and manner they agree or, in default of agreement, among them equally.
- (d) The remuneration of the Non-Executive Directors is to be provided wholly in cash unless the Directors, with the agreement of the Non-Executive Director concerned, determine that part is to be satisfied in the form of non-cash benefits (which value may be fixed by the Directors), including the issue or purchase of shares in the Company or the grant of options or rights to subscribe for such shares.
- (e) The remuneration of a Managing Director (if appointed) or one or more Executive Directors or the Executive Chairman may be fixed by the Directors and may be by way of salary or commission or participation in profits or by all or any of those modes, but may not be by a commission on or percentage of operating revenue. A salary may be provided wholly in cash unless the Directors, with the agreement of the Executive Director or Executive Chairman concerned, determine that the whole or part is to be satisfied in the form of non-cash benefits, including the issue or purchase of shares in the Company or the grant of options or rights to subscribe for such shares. The sum determined by the Directors in this regard does not include remuneration in the form of share, option or other equity plans approved separately by the Company in general meeting.
- (f) The Company may make contributions to a fund for the purpose of making provision for or obtaining superannuation benefits for a

Director. Any such contribution is in addition to, and not regarded as part of, the remuneration approved by Shareholders under the Constitution.

- (g) Subject to the Listing Rules and Corporations Act, the Company may pay a former Director, or the personal representative of a Director who dies in office, a retirement benefit in recognition of past services of an amount determined by the Directors. The Company may also enter into a contract with a Director providing for payment of a retirement benefit.
- (h) A Director is entitled to be reimbursed such reasonable travelling, accommodation and other expenses as the Director may incur when travelling to or from meetings of the Directors or a Committee or when otherwise engaged on the business of the Company.
- (i) If a Director at the request of the Directors performs additional or special duties for the Company, the Company may remunerate that Director as determined by the Directors and that remuneration may be either in addition to or in substitution for that Director's remuneration (as above).

The Board has determined the following fixed cash remuneration for the Directors and the Company Secretary (which will take effect upon the admission of the Company to the Official List and the Quotation of Shares):

- (a) Mr William Johnson (Executive Chairman) - a base fee of \$75,000 per annum;
- (b) Mr Peter Smith (Executive Director) - a base fee of \$150,000 per annum;
- (c) Mr Farooq Khan (Executive Director) - a base fee of \$75,000 per annum; and
- (d) Mr Victor Ho (Company Secretary) - a base fee of \$75,000 per annum.

The Company has issued letters of appointment (acknowledged by each Director) to confirm the terms of each Director's appointment as an Executive Director (Executive Chairman in the case of William Johnson), which include matters pertaining to their remuneration, their role, duties and accountabilities, their tenure (as a Director and as an executive), review of their performance, conflicts of interest, confidentiality, rights of access to corporate information, Director's indemnity and insurance, the disclosure of interests in securities, right to seek independent professional advice and professional development.

13. BOARD OF DIRECTORS

All Directors have entered into a Director's Disclosure Agreement with the Company pursuant to which the Director is obliged to provide the necessary information to the Company in a timely manner to enable the Company to comply with its disclosure obligations to ASX in relation to Directors' interests in securities and in contracts relevant to securities.

13.5 EXECUTIVE OPTIONS

The Company has issued Executive Options (each with an exercise price of \$0.30 and an expiry date of 18 March 2024) to the Executive Directors and the Company Secretary on 19 March 2021 as part of their remuneration, as follows:

Executive	Position	Number of Options
William Johnson	Executive Chairman	2,850,000
Pete Smith	Executive Director	1,450,000
Farooq Khan	Executive Director	2,850,000
Victor Ho	Company Secretary	2,850,000

The terms and conditions of the Executive Options are in Section 16.3.

Section 7 (Investigating Accountant's Report) sets out the accounting treatment of the issue of the Executive Options.

The Company may propose the issue of other securities to Directors in the future (as an equity-based incentive benefit), which will be put to Shareholders for approval at that time (as required under the Listing Rules and/or Corporations Act, as applicable).

13.6 OFFICERS' INDEMNITY AND INSURANCE

The Company's Constitution provides that:

- (a) To the maximum extent permitted by law, the Company must indemnify any current or former Director or Secretary of the Company or a subsidiary of the Company against:
 - (i) any liability incurred by the person in that capacity;

- (ii) legal costs incurred in prosecuting, defending or resisting (or otherwise in connection with) proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity; and
- (iii) legal costs incurred in good faith in obtaining legal advice on issues relevant to the performance of their functions and discharge of their duties as an officer of the Company or a subsidiary, if that expenditure has been approved in accordance with the Company's policy,

except to the extent that the Company is forbidden by law to indemnify the person against the liability or legal cost) or an indemnity by the Company of the person against the liability or legal costs, if given, would be made void by law.

- (b) The Company may pay or agree to pay a premium for a contract insuring a person who is or has been a Director or Secretary or officer or senior manager of the Company or of a subsidiary of the Company against liability incurred by the person in that capacity, including a liability for legal costs, unless the Company is forbidden by law to pay or agree to pay the premium or the contract would, if the Company paid the premium, be made void by law.

Strike has a directors' and officers' liability insurance policy which covers all Directors and officers of Strike and its subsidiaries, which presently includes the Company. The Company is also investigating procuring its own directors' and officers' liability insurance policy.

13.7 DIRECTORS' DEEDS

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the Corporations Act), the Company has also entered into a Director's Access, Indemnity and Insurance Deed (Director's Deed) with each of the Directors to regulate certain matters between the Company and each Director, both during the time the Director holds office and after the Director ceases to be an officer of the Company (or wholly owned subsidiaries).

13. BOARD OF DIRECTORS

By the Director's Deed:

- (a) The Company is to retain, and the Director is granted access to, Board papers and company books (subject to confidentiality and privilege) both while the Director is a Director of the Company and after the Director ceases to hold office, for the purposes expressly permitted by the Deed.
- (b) The Company is required (to the extent permitted by any applicable law) to indemnify the Director against:
 - (i) any liability incurred by the Director (before or after the date of entry into the Deed) as an officer of the Company or as an officer of a "Relevant Entity" (ie. a wholly owned subsidiary of the Company);
 - (ii) liability for legal costs incurred by the Director in defending or resisting legal proceedings for a liability incurred as an officer of the Company or as an officer of a relevant entity (which includes a subsidiary or appointee entity) or in seeking relief from such a liability under any applicable law; and
 - (iii) liability for legal costs incurred by the Director in connection with any legal proceeding relating to the Company or a relevant entity which involves the Director because of their present or former capacity as an officer of the Company or relevant entity.
- (c) Subject to the terms of the Director's Deeds and any applicable law, the Company or a relevant entity must, at the request of the Director and on such reasonable terms (including interest, repayments and security) as it thinks reasonable in the circumstances, advance monies (including by way of a loan, either free of interest or at a rate reasonably determined by the Board) to the Director to meet any costs or expenses (including reimbursement) of the Director which the Director will incur, or may reasonably be expected to incur in defending or resisting an action for a legal proceeding to which the Director is entitled to be indemnified under the Director's Deeds (before the outcome of the action is known).

Once the outcome of the legal proceeding is finally determined, the Director must repay any advances for costs incurred in respect of which the Director is not entitled to be indemnified under the Director's Deeds. The Director is not required to repay the Company for costs incurred in respect of which the

Director is entitled to be indemnified under the Director's Deeds. If the Director receives a payment under an insurance policy or an indemnity provided by a relevant entity, the Director must pay such amounts recovered to the Company.

- (d) The Company will (subject to the Corporations Act) use its best efforts to ensure that, so far as practical (having regard to the cost of coverage and its availability), the Director is insured under a directors' and officers' insurance policy against liability incurred as an officer of the Company or of a relevant entity (D & O Policy) for the period that each Director is a director of the Company and for 7 years after that Director ceases to hold office, and to pay the insurance premiums on that D & O Policy.
- (e) The Company must reimburse the Director for the reasonable expense of obtaining independent professional advice (with the prior approval (not to be unreasonably withheld) of the Chairman or the Board, in the case of the Chairman seeking such reimbursement) to assist the Director in the proper exercise of powers and discharge of duties as a Director of the Company.
- (f) There is regulation of the Company's and the Director's rights and obligations in respect of confidential information, disclosure of Director's benefits and notifiable interests and related party benefits.

The Company Secretary as an officer of the Company has also entered into a similar deed to the Director's Deed with respect to his position as Company Secretary.

13.8 DIRECTORS' INTERESTS

Other than as set out below or elsewhere in this Prospectus:

- (a) no Director holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in:
 - (i) the formation or promotion of the Company;
 - (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares under this Prospectus;
 - (iii) the offer of Shares under this Prospectus and

13. BOARD OF DIRECTORS

- (b) no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director of the Company:
 - (i) to induce them to become, or to qualify them as, a Director; or
 - (ii) for services rendered by them in connection with the formation or promotion of the Company.

Executive Director of the Company, Peter Smith, is a Director and Company Secretary of BMPL and one of the Burke Vendors (as to a 75% shareholding in BMPL) and accordingly is a counterparty to the Burke SPA with LEOPL and the Company. The Burke SPA was entered into by the Company and LEOPL prior to Mr Smith's appointment as a Director of the Company on 18 March 2021. On completion of the Burke SPA, Mr Smith will be entitled to receive a total 450,000 Shares (valued at \$90,000) in the Company.

Mr Smith has provided consulting services to Strike, including in relation to the Burke Graphite Project and the Solaroz Lithium Project (see in particular Section 8.5 in that regard). These consulting services (in relation to the Burke Graphite Project and the Solaroz Lithium Project) will cease upon Mr Smith's appointment as an Executive Director of the Company and as a Director of LEOPL and LEOPL and the completion of the Issue. Mr Smith may provide consulting services to Strike in relation to Strike's other resource projects, from time to time, provided this does not conflict with his role as Executive Director of the Company.

Strike has entered into a number of material agreements with the Company as counterparty, as set out in further detail in Section 15 (Material Contracts), namely:

- (a) the LEOPL Restructure Agreement;
- (b) the LEOPL Restructure Agreement; and
- (c) the IPO Funding Deed.

14. CORPORATE GOVERNANCE

The Board of Directors of Lithium Energy Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of Lithium Energy on behalf of the Shareholders by whom they are elected and to whom they are accountable. The Company's governance approach aims to achieve exploration, development and financial success while meeting stakeholders' expectations of sound corporate governance practices by proactively determining and adopting the most appropriate corporate governance arrangements.

To the extent applicable, the Company has adopted the 4th Edition (released on 27 February 2019) of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Recommendations).

Listing Rule 4.10.3 requires listed companies to disclose annually the extent to which they have complied with the Recommendations in the reporting period. The Company's corporate governance information will be included in a dedicated corporate governance section of the Company's website.

A description of the Company's main corporate governance practices is set out below in Sections 14.1 and 14.2. These are current as at the date of this Prospectus and have been approved by the Board of Directors.

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

14.1 CORPORATE GOVERNANCE STATEMENT

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below and also in Section 14.2.

1. Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes the following responsibilities (amongst others):

- (a) appointing and, when necessary, replacing the Managing Director, Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (b) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (c) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (d) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (e) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (f) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;
- (g) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- (h) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director.

As at the date of this Prospectus the Company does not have a Managing Director. The roles and responsibilities of the Managing Director are currently undertaken collectively by the Executive Chairman, William Johnson and Executive Directors, Peter Smith and Farooq Khan.

The Executive Directors are responsible for the attainment of the Company's goals and vision for the future in accordance with the strategies, policies, programs and performance requirements approved by the Board.

14. CORPORATE GOVERNANCE

Those responsibilities include:

- responsibility for the achievement of corporate goals and objectives;
- development of short, medium and long term corporate strategies and planning to achieve the Company's vision and overall business objectives;
- implementing and monitoring strategy and reporting/presenting to the Board on current and future initiatives;
- assessment of business opportunities of potential benefit to the Company;
- establish and maintain effective and positive relationships with Board members, Shareholders, the investment community and other government and business liaisons;
- undertake the role of key company spokesperson(s);
- ensure statutory, legal and regulatory compliance and comply with corporate policies and standards;
- ensure appropriate risk management practices and policies are in place; and
- select and appoint staff.

William Johnson, as the Executive Chairman of the Company, will provide the annual Chief Executive Officer-equivalent assurances and declarations to the Board, as required under section 295A of the Corporations Act and as per the Recommendations.

2. Composition of the Board

Election of Board members is substantially the province of the Shareholders in a general meeting. The Board currently consists of Executive Chairman, William Johnson and two Executive Directors, Peter Smith and Farooq Khan. None of these Directors are considered to be independent Directors.

The Board considers that the Company (following completion of the Issue) will not be of a size, nor will its affairs be expected to be of such complexity to justify the appointment and further expense of additional (or a majority of) independent Non-Executive Directors. The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues.

The Board regularly reviews the balance of skills currently and as part of succession planning to ensure the appropriate level of skills, knowledge and experience along with diversity and independence are in place to best discharge its responsibilities for the Shareholders in the most effective manner.

The Company undertakes checks on any person who is being considered as a Director. These checks may include character, experience, education and financial history and background.

As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

3. Identification and Management of Risk

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

4. Ethical Standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

5. Remuneration Arrangements

The Board has determined at this time there is no requirement for a separate nomination and remunerations committee. The full Board represents the Shareholders and is responsible for the nomination and remuneration of Directors and the Company's senior managers.

6. Securities Trading Policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (Directors and, if applicable, any personnel reporting directly to the Executive Directors). The policy generally provides that the written approval of the 'trading officer' (the Company Secretary, Chairman or the Board, as the case may be) must be obtained prior to trading. The Company's securities trading policy will be included in the corporate governance section of the Company's website.

7. Diversity Policy

The Company is committed to workplace diversity. The Company recognises the benefits from diversity in the workplace and at the Board level, including access to different perspectives and ideas, benefitting from a wide range of talent. The Company's diversity policy will be included in the corporate governance section of the Company's website.

14. CORPORATE GOVERNANCE

8. Audit and Risk

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

9. External Audit

The Company's external auditor (Auditor) is selected for their professional competence, reputation and the provision of value for professional fees. Within an audit firm, the partner responsible for the conduct of the Company's audits will be rotated every five years. The external Auditor also attends the Company's AGMs (in person or by teleconference) and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report. The Company's Auditor is Rothsay Auditing, who were appointed by the Board and will be proposed for re-appointment at the Company's next annual general meeting.

10. Company Secretary

The Company Secretary is appointed by the Board and is responsible for developing and maintaining the information systems and processes that are appropriate for the Board to fulfil its role and is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

Victor Ho is the Company Secretary. Mr Ho will also provide the annual Chief Financial Officer-equivalent assurances and declarations to the Board, as required under section 295A of the Corporations Act and as per the Recommendations.

14. CORPORATE GOVERNANCE

14.2 COMPLIANCE WITH RECOMMENDATIONS

Following admission to the Official List, the Company will be required to report its compliance with the Recommendations at the time of lodgement of its annual report.

The Company's compliance with the Recommendations as at the date of this Prospectus are detailed in the table below:

Principles and Recommendations	Comply (Yes/No)	Explanation
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
Recommendation 1.1 A listed entity should disclose a board charter setting out: <ul style="list-style-type: none"> (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. 	YES	<p>The Company has established a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board in relation to corporate governance, the role of the Board, the Board's relationship with management, the key responsibilities of the Board, the structure of the Board, the role of the chair, the role of Board committees and the occurrence of Board meetings. A copy of the Company's Board Charter will be included in the corporate governance section of the Company's website.</p>
Recommendation 1.2 A listed entity should: <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a director or senior executive, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. 	YES	<ul style="list-style-type: none"> (a) The Company undertakes appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director. (b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to Shareholders in any notice of meeting pursuant to which the resolution to elect or re-elect such Director will be voted on.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	PARTIALLY	<p>The Company does not presently have formal service or employment agreements with any Director but may enter into such agreements in the future.</p> <p>The Company has issued letters of appointment (acknowledged by each Director) to confirm the terms of each Director's appointment as an Executive Director (Executive Chairman in the case of William Johnson), which include matters pertaining to their remuneration, their role, duties and accountabilities, their tenure (as a Director and as an executive), review of their performance, conflicts of interest, confidentiality, rights of access to corporate information, Director's indemnity and insurance, the disclosure of interests in securities, right to seek independent professional advice and professional development.</p> <p>All Directors have entered into a Director's Disclosure Agreement with the Company pursuant to which the Director is obliged to provide the necessary information to the Company in a timely manner to enable the Company to comply with its disclosure obligations to ASX in relation to Directors' interests in securities and in contracts relevant to securities.</p> <p>All Directors have entered into a Director's Deed with the Company to regulate certain matters between the Company and each Director, both during the time the Director holds office and</p>

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Principles and Recommendations	Comply (Yes/No)	Explanation
		<p>after the Director ceases to be an officer of the Company (or wholly owned subsidiaries).</p> <p>The Company has not entered into a formal agreement with its Company Secretary, but his terms of employment were resolved by the Board, and are set out in Section 13.4.</p>
<p>Recommendation 1.4</p> <p><i>The Company Secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</i></p>	YES	<p>The Company Secretary is accountable to the Board, through a direct reporting line to the Chair, on all matters relating to the proper functioning of the Board.</p>
<p>Recommendation 1.5</p> <p><i>A listed entity should:</i></p> <p>(a) <i>have and disclose a diversity policy;</i></p> <p>(b) <i>through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</i></p> <p>(c) <i>disclose in relation to each reporting period:</i></p> <p>(i) <i>the measurable objectives set for that period to achieve gender diversity;</i></p> <p>(ii) <i>the entity's progress towards achieving those objectives; and</i></p> <p>(iii) <i>either:</i></p> <p>(A) <i>the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</i></p> <p>(B) <i>if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</i></p>	PARTIALLY	<p>The Company recognises that a talented and diverse workforce is a key competitive advantage. The Company is committed to developing a workplace that promotes diversity. The Company's policy is to recruit and manage on the basis of competence and performance regardless of age, nationality, race, gender, religious beliefs, sexuality, physical ability or cultural background. A copy of the Company's Diversity Policy will be included in the corporate governance section of the Company's website.</p> <p>Due to the current size and composition of the Company, the Board does not consider it appropriate to provide measurable objectives in relation to gender diversity.</p>

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Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 1.6 A listed entity should: <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	NO	<p>Due to the size of the Board and the nature of its business, it has not been deemed necessary to institute a formal documented performance review programme of individual Directors. The Chairman conducts an informal review during the financial year whereby the performance of the Board as a whole and the individual contributions of each Director are discussed. The Board considers that at this stage of the Company's development such an informal process is appropriate.</p>
Recommendation 1.7 A listed entity should: <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose, for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	YES	<p>The Board will review the performance of its senior executives on a routine basis at least annually, including setting the goals for the coming year and reviewing the achievement of those goals. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act), other than the Executive Directors.</p> <p>Performance will be measured by the efficiency and effectiveness of the enhancement of the Company's mineral interest portfolio, the designing and implementation of the exploration and development programme and the securing of ongoing funding so as to continue its exploration and development activities. This performance evaluation is not based on specific financial indicators such as earnings or dividends as the Company is at the exploration stage and during this period is expected to incur operating losses.</p> <p>Due to the size of the Company and the nature of its business, it has not been deemed necessary to institute a formal documented performance review programme of senior executives. The Chairman will conduct an informal review with each relevant party whereby he discusses the approach toward meeting the short and long term objectives of the Company. The Board considers that at this stage of the Company's development an informal process is appropriate.</p>
PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE		
Recommendation 2.1 The board of a listed entity should: <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee.</p> <p>(iv) the members of the committee; and</p>	NO	<p>The Company does not have a nomination committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of a nomination committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee.</p> <p>Directors are appointed under the terms of the Company's Constitution.</p>

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Principles and Recommendations	Comply (Yes/No)	Explanation
<p>(v) <i>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p> <p>(b) <i>if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</i></p>		<p>Appointments to the Board are based upon merit and against criteria that serves to maintain an appropriate balance of skills, expertise, and experience of the Board. The categories considered necessary for this purpose are a blend of accounting and finance, business, technical and administration skills. Casual appointments must retire and stand for re-election at the next annual general meeting of the Company.</p> <p>Retirement and rotation of Directors are governed by the Corporations Act and the Constitution of the Company. All Directors (with the exception of the Managing Director (if appointed) or an Executive Director nominated pursuant to the Company's Constitution) serve for a period of three years before they are requested to retire and if eligible offer themselves for re-election.</p>
<p>Recommendation 2.2</p> <p><i>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</i></p>	YES	<p>The Board seeks to ensure that its members have an appropriate mix of skills, knowledge and experience to enable it to properly perform its responsibilities and be well equipped to navigate the Company through the many opportunities and challenges it faces.</p> <p>Directors are appointed based on the specific business, corporate and governance skills and experience required by the Company. The Board recognises the need for Directors to have a relevant blend of skills and personal experience in a range of disciplines required for the proper management and oversight of the Company's operations, having regard to the nature and scale its activities.</p> <p>Whilst recognising that each Director will not necessarily have experience in each of the following areas, the Board seeks to ensure that its membership includes an appropriate mix of Directors with experience in the resources sector, commercially, internationally, in executive management, accounting, finance and corporate affairs.</p>
<p>BOARD SKILLS AND EXPERIENCE (out of 3 Directors)</p>		
<p>Corporate Leadership</p>		
Experience in Managing Director/CEO and or other senior corporate leadership roles	2	
<p>Resources Industry</p>		
Relevant industry experience in resources, mining and exploration	3	
<p>Finance and Risk</p>		
Accounting	2	
Risk Management	3	
Finance	2	

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Principles and Recommendations	Comply (Yes/No)	Explanation
		Commercial
		Investments 3
		Joint Ventures 3
		Acquisitions 3
		International Experience
		Senior experience in multiple international locations 3
		Other Board Level Experience
		Membership of other listed entities (last 3 years) 3
		Corporate
		Legal 2
		Investor Relations 3
		Acquisitions 3
		Regulatory Compliance 3
Recommendation 2.3 <i>A listed entity should disclose:</i> (a) <i>the names of the directors considered by the board to be independent directors;</i> (b) <i>if a director has an interest, position, association or relationship of the type described in Box 2.3 of the Principles (factors relevant to assessing the independence of a director) but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</i> (c) <i>the length of service of each director.</i>	YES	The names, experience and responsibilities (and length of service) of Directors of the Company in office are set out in this Prospectus. The Company will also disclose in its annual corporate governance reporting those Directors it considers independent Directors and the considerations given in determining independence. The annual reporting will also include the length of service of each Director. At the date of this Prospectus, there are no independent Directors of the Company.
Recommendation 2.4 <i>A majority of the board of a listed entity should be independent directors.</i>	NO	At the date of this Prospectus, there are no independent Directors of the Company. As the Company grows, the Board will consider the appointment of independent Directors.
Recommendation 2.5 <i>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</i>	NO	William Johnson is the Company's Chair and is not considered independent by virtue of his position as an Executive Chairman and as the Managing Director of the Company's major Shareholder, Strike Resources Limited. As the Company grows, the Board will consider the transitioning of this role to that of an independent Director.

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Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 2.6 <i>A listed entity should have a programme for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</i>	YES	<p>A new Director is provided an induction pack that outlines the expectation of the Director and provides a portfolio of the Company's significant policies and procedures. The Company encourages appropriate professional development of its Directors and will pay for relevant courses and seminars that enable the Director to develop and maintain the skills and knowledge needed to perform their role. The Company Secretary is responsible for facilitating inductions and professional development.</p>
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY		
Recommendation 3.1 <i>A listed entity should articulate and disclose its values.</i>	YES	<p>The Company has adopted a Statement of Values and charges the Directors with the responsibility of inculcating those values across the Company. A copy of the Statement of Values will be included in the corporate governance section of the Company's website.</p>
Recommendation 3.2 <i>A listed entity should:</i> (a) <i>have and disclose a code of conduct for its directors, senior executives and employees; and</i> (b) <i>ensure that the board or a committee of the board is informed of any material breaches of that code.</i>	YES	<p>The Company has adopted a Code of Conduct for the Board, senior executives and employees that promote the highest standards of ethics and integrity in carrying out their duties to the Company. The Code may be amended from time to time as necessary to ensure it reflects the practices necessary to maintain confidence in the Company's integrity and to take into account legal obligations and reasonable expectations of the Company's stakeholders.</p> <p>Trading in Company securities is regulated by the Corporations Act and the Listing Rules. The Board makes all Directors, officers and employees aware on appointment that it is prohibited to trade in the Company's securities whilst that Director, officer or employee is in the possession of price sensitive information.</p> <p>For details of Shares held by Directors and officers please refer to Section 13.2. Directors are required to report to the Company Secretary any movements in their holdings of Company securities, which are reported to ASX in the required timeframe prescribed by the Listing Rules.</p> <p>A copy of the Code of Conduct will be included in the corporate governance section of the Company's website.</p>
Recommendation 3.3 <i>A listed entity should:</i> (a) <i>have and disclose a whistleblower policy; and</i> (b) <i>ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</i>	YES	<p>The Board has adopted a Whistleblower Policy to ensure concerns regarding unacceptable conduct including breaches of the Company's Code of Conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistle blowing about issues where the interests of others, including the public, or of the organisation itself are at risk.</p> <p>A copy of the Whistle Blower Policy will be included in the corporate governance section of the Company's website.</p>

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Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 3.4 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy. 	YES	<p>The Board has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has adopted an Anti-Bribery and Corruption Policy for the purpose of setting out the responsibilities in observing and upholding the Company's position on bribery and corruption and provides information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.</p> <p>A copy of the Anti-Bribery and Corruption Policy will be included in the corporate governance section of the Company's website.</p>

PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

Recommendation 4.1 The board of a listed entity should: <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. 	PARTIALLY	<p>The Company does not have an audit committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of an audit committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate audit committee.</p> <p>The Company requires external auditors to demonstrate quality and independence. The performance of the external auditor is reviewed and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.</p> <p>It is auditor's policy to rotate audit engagement partners on listed companies at least every 5 years.</p>
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Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 4.2 <i>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</i>	YES	<p>The Board relies on management accountability for the Company's financial statements and reports for financial period and requires the CEO (or CEO-equivalent) and CFO (or CFO-equivalent) to provide declarations that in their opinion, the financial records and reports have been properly maintained and presented and comply with appropriate accounting.</p> <p>The Company is not currently of a size, nor are its affairs of such complexity that warrant a separate CEO and CFO being appointed.</p> <p>The Board has determined that the Executive Chairman and the Company Secretary are the appropriate persons to make the CEO and CFO equivalent declarations respectively in respect of the financial year ended 30 June 2021, as required under section 295A of the Corporations Act and as per the Recommendations.</p>
Recommendation 4.3 <i>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</i>	YES	<p>When preparing reports for release to the market including the periodic (quarterly, full year, half year and annual) reports, these reports shall be prepared by the Company Secretary and reviewed by the Executive Chairman before being presented to the Board for review and approval. Such reports shall not be released to market without this review and approval process by the Board and will in any event require sign-off by at least three officers of the Company including the Executive Chairman, the Company Secretary and at least one other Director of the Company.</p>
PRINCIPLE 5 –MAKE TIMELY AND BALANCED DISCLOSURE		
Recommendation 5.1 <i>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</i>	YES	<p>The Company has developed a Continuous Disclosure Policy which has been endorsed by the Board. The policy ensures compliance with the Listing Rules and the Corporations Act obligations to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities and outlines accountability at a senior executive level for that compliance.</p> <p>All ASX announcements are posted to the Company's website after confirmation of release is received from ASX, including all financial reports.</p> <p>A copy of the Continuous Disclosure Policy will be included in the corporate governance section of the Company's website.</p>
Recommendation 5.2 <i>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</i>	YES	<p>The Board has appointed the Company Secretary as the person responsible for communicating with the ASX and overseeing and coordinating the timely disclosure of information to ASX, subject to prior review and approval of all announcements by the Directors. The Company Secretary ensures that the Board are aware of when any announcement is due to go out and when the confirmation of release is received, the Company Secretary promptly forwards this to the Board.</p>

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Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 5.3 <i>A listed entity that gives new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</i>	YES	The Company always releases new and substantive investor or analyst presentations to ASX ahead of making the presentation.
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
Recommendation 6.1 <i>A listed entity should provide information about itself and its governance to investors via its website.</i>	YES	Information about the Company and its governance is available on the Company's website.
Recommendation 6.2 <i>A listed entity should have an investor relations programme to facilitate effective two-way communication with investors.</i>	YES	<p>The Company Secretary is the primary contact point for all Shareholder enquiries. In turn these are passed on to the Executive Chairman or Executive Directors as appropriate to meet Shareholders or respond to enquiries made via telephone or email. The Executive Chairman also completes periodic investor presentations to facilitate engagement with investors and other financial market participants.</p> <p>The Board encourages full participation of Shareholders at the Annual General Meeting. In preparing for general meetings of the Company, the Company drafts the notice of meeting and related explanatory information so that Shareholders are provided with all the information that is relevant to Shareholders in making decisions on matters to be voted on by them at the meeting.</p> <p>The Company allows Shareholders a reasonable opportunity to ask questions of the Board of Directors and to otherwise participate in the meeting. The external auditor of the Company is asked to attend each annual general meeting and to be available to answer Shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. Important issues are presented to the Shareholders as single resolutions. The Shareholders are also responsible for voting on the appointment of Directors.</p>
Recommendation 6.3 <i>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</i>	YES	Shareholders will be encouraged to participate at all general meetings of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 <i>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.</i>	YES	It is the Company's policy to have all substantive resolutions at general meetings decided by poll.

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Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 6.5 <i>A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.</i>	YES	Information about the Company is regularly emailed to all Shareholders who lodge their email contact details with the Company's Share Registry. Information on lodging email addresses and on submitting information requests with the Company is available on the Company's website. Shareholders can receive communications from, and send communications to, the Company's Share Registry electronically.
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
Recommendation 7.1 <i>The board of a listed entity should:</i> <ul style="list-style-type: none"> (a) <i>have a committee or committees to oversee risk, each of which:</i> <ul style="list-style-type: none"> (i) <i>has at least three members, a majority of whom are independent directors; and</i> (ii) <i>is chaired by an independent director,</i> <i>and disclose:</i> <ul style="list-style-type: none"> (iii) <i>the charter of the committee;</i> (iv) <i>the members of the committee; and</i> (v) <i>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i> (b) <i>if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework</i> 	NO	<p>The Board has not established a separate Risk Management Committee. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee.</p>
Recommendation 7.2 <i>The board or a committee of the board should:</i> <ul style="list-style-type: none"> (a) <i>review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</i> (b) <i>disclose, in relation to each reporting period, whether such a review has taken place.</i> 	YES	<p>The Board considers risks and discusses risk management and the extent to which it believes these risks are being managed. This is performed on an annual basis or more frequently as required by the Board.</p> <p>The Company's main areas of risk include:</p> <ul style="list-style-type: none"> ▪ geological and technical risk posed to exploration and commercial exploitation success; ▪ sovereign risk, change in government policy, change in mining and fiscal legislation; ▪ prevention of access by reason of inability to obtain regulatory or landowner consents or approvals or native title issues; ▪ retention of key staff; ▪ change in commodity pricing and market conditions,

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Principles and Recommendations	Comply (Yes/No)	Explanation
		<ul style="list-style-type: none"> technology changes which will affect the demand for the principal minerals proposed to be produced by the Company, mineral title tenure and renewal risks; and capital requirement and lack of future funding.
Recommendation 7.3 A listed entity should disclose: <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	NO	<p>The Company does not have an internal audit function. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the formation of an internal audit function at this time. The Board as a whole regularly evaluates and improves the effectiveness of its risk management (refer above) and internal control processes.</p>
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.	YES	<p>The Company is of the view that it has adequately disclosed the nature of its operations and relevant information on exposure to economic, environmental and social sustainability risks. Other than general risks associated with the mineral exploration industry, the Company does not currently have material exposure to environmental and social sustainability risks.</p> <p>The Company has, and continues to, undertake various risk reviews to identify potential business risks. The effectiveness of the controls in place to address each risk is reviewed on a regular basis and, where the residual risk is considered outside of acceptable limits, further controls and risk mitigation measures are developed and implemented.</p>
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
Recommendation 8.1 The board of a listed entity should: <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of</p>	NO	<p>The Company does not have a remuneration committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of a remuneration committee.</p> <p>The Board considers that no efficiencies or other benefits would be gained by establishing a separate remuneration committee</p>

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Principles and Recommendations	Comply (Yes/No)	Explanation
<p><i>the members at those meetings; or</i></p> <p>(b) <i>if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</i></p>		
<p>Recommendation 8.2</p> <p><i>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</i></p>	YES	<p>The Company provides disclosure of all Directors and executives remuneration in its annual remuneration report.</p> <p>The remuneration policy of the Company has been designed to align Director's objectives with Shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company. Director remuneration is approved by resolutions of the Board. The Board's policy for determining the nature and amount of remuneration for Board members is as follows:</p> <p><i>Non-Executive Directors</i></p> <p>The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Payments to the Non-Executive Directors are reviewed annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by Shareholders and is currently set at \$250,000 per annum in aggregate. Fees for Non-Executive Directors are not linked to the performance of the Company.</p> <p>Non-Executive Directors are entitled to receive incentive Shares/Options and or performance rights (subject to Shareholder approval) as it is considered an appropriate method of providing sufficient reward whilst maintaining cash reserves. The Company has adopted a Securities Incentive Plan, which the Directors are eligible to participate in, however, any securities proposed to be issued to a Director under the Securities Incentive Plan or otherwise will require prior Shareholder approval under the Listing Rules and Corporations Act.</p> <p>At the date of this Prospectus there are no Non-Executive Directors appointed to the Board though the Company will consider appointing such directors in the future should the size and scale of the operations of the Company warrant such appointment(s).</p> <p><i>Senior Executives</i></p> <p>The Senior Executives of the Company are the Executive Chairman, Executive Directors and the Company Secretary, details of which are outlined in this Prospectus. The Company is committed to remunerating its senior executives in a manner</p>

14. CORPORATE GOVERNANCE

Principles and Recommendations	Comply (Yes/No)	Explanation
		<p>that is market-competitive and consistent with best practice as well as supporting the interests of Shareholders.</p> <p>The remuneration of Senior Executives including a Managing Director (if appointed) and Executive Directors (including the Executive Chairman) may be fixed by the Directors and may be by way of salary or commission or participation in profits or by all or any of those modes, but may not be by a commission on or percentage of operating revenue. A salary may be provided wholly in cash unless the Directors, with the agreement of the Executive Director/Chairman concerned, determine that the whole or part is to be satisfied in the form of non-cash benefits, including the issue or purchase of Shares in the Company or the grant of options or rights to subscribe for such Shares (subject to the Corporations Act and Listing Rules).</p> <p>In addition to the foregoing, the longer-term remuneration of Senior Executives may be comprised of participation in any equity incentive scheme with thresholds approved by Shareholders. By remunerating Senior Executives through performance and long-term incentive plans in addition to their fixed remuneration, the Company aims to align the interests of senior executives with those of Shareholders and increase performance. The value of Shares and incentive options were they to be granted to Senior Executives would be calculated using an appropriate option-pricing model.</p> <p>The objective behind using this remuneration structure is to drive improved performance and thereby increase Shareholder value as well as aligning the interests of Executives and Shareholders. Further details of Directors' remuneration is outlined in this Prospectus and will be outlined in future annual remuneration reports of the Company.</p>
<p>Recommendation 8.3</p> <p><i>A listed entity which has an equity-based remuneration scheme should:</i></p> <p>(a) <i>have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</i></p> <p>(b) <i>disclose that policy or a summary of it.</i></p>	YES	<p>The Company has adopted a Securities Incentive Plan pursuant to which the Board may offer to eligible persons the opportunity to subscribe for such number of securities in the Company on such terms and conditions as the Board may decide and otherwise pursuant to the rules of the Plan.</p> <p>If securities are proposed to be issued to Directors, Senior Management or employees, the Company's policy is to require security holders not to enter into transactions in associated products which limit the economic risk of holding unvested options.</p> <p>Also, under the Company's Securities Trading Policy, Directors and personnel may not (a) hedge or limit their exposure to risk in any unvested securities in the Company; or (b) use any securities in the Company held by them as security for borrowing or other obligations (including a margin lending facility) without the written consent of the 'Trading Officer'. The Company's securities trading policy will be included in the corporate governance section of the Company's website.</p>

15. MATERIAL CONTRACTS

A summary of the contracts to which Lithium Energy is a party and which may be material in terms of the Offer or the operation of the business of Lithium Energy (not otherwise disclosed in Section 13 (Board of Directors)) is set out below:

15.1 LEOPL RESTRUCTURE AGREEMENT

On 18 February 2021, pursuant to an agreement between Strike, the Company and LE Operations Pty Ltd (LEOPL), (the **LEOPL Restructure Agreement**):

- (a) The Company acquired all of Strike's shareholding (100 shares) in LEOPL (with effect on 31 January 2021), in consideration of:
 - (i) \$630,000 cash; and
 - (ii) the issue of 28,250,000 Shares at \$0.20 per Share.
- (b) Strike applied the \$630,000 cash consideration to subscribe for 3,150,000 Shares in the Company at \$0.20 per Share.
- (c) Strike agreed to forgive and release LEOPL from repaying the balance of inter-company loans owed to Strike (as at 31 January 2021) – which was effected by Strike and LEOPL executing a separate Deed of Forgiveness of Debt (dated 18 February 2021).
- (d) The Company agreed to reimburse Strike in respect of costs incurred by Strike in relation to the Solaroz Lithium Project and/or LEOPL costs generally, after 31 January 2021.
- (e) Strike agreed to enter into the IPO Funding Deed with the Company – which was executed on 18 February 2021 (refer Section 15.10).

LEOPL has a 90% shareholding in Hananta, which has an interest in the Solaroz Lithium Project/Solaroz Tenements pursuant to the Hananta Agreement and Solaroz Purchase Agreement.

15.2 LEOPL RESTRUCTURE AGREEMENT

On 18 February 2021, pursuant to an agreement between Strike, the Company and LE Australian Operations Pty Ltd (LEAOPL), (the **LEAOPL Restructure Agreement**):

- (a) The Company acquired all of Strike's shareholding (83,515 shares) in LEAOPL (with effect on 31 January 2021), in consideration of \$600,000 cash.
- (b) Strike applied the \$600,000 cash consideration to subscribe for 3,000,000 Shares in the Company at \$0.20 per Share.

- (c) Strike agreed to forgive and release LEAOPL from repaying the balance of inter-company loans owed to Strike (as at 31 January 2021) – which was effected by Strike and LEAOPL executing a separate Deed of Forgiveness of Debt (dated 18 February 2021).
- (d) The Company agreed to reimburse Strike in respect of costs incurred by Strike in relation to the Burke Graphite Project and/or LEAOPL, after 31 January 2021.
- (e) Strike agreed to enter into the IPO Funding Deed with the Company – which was executed on 18 February 2021 (refer Section 15.10).

LEAOPL has an approximate 76.5% beneficial interest in the Burke Graphite Project/Burke Tenements pursuant to the Burke Farm-In Agreement. Furthermore, LEAOPL has entered into the Burke SPA to acquire BMPL, which is the registered holder of the Burke Tenements and holds the residual approximately 23.5% beneficial interest in the Burke Graphite Project/Burke Tenements.

15.3 HANANTA AGREEMENT

On 28 February 2019, Strike and LEOPL entered into an agreement with Argentine registered Hananta S.A (Hananta) and the Shareholders of Hananta to secure an interest in the Solaroz Lithium Project (the **Hananta Agreement**). Pursuant to the Hananta Agreement:

- on 11 March 2019, Hananta entered into the Solaroz Purchase Agreement with the Solaroz Owner to acquire the Solaroz Tenements (refer Section 15.4); and
- LEOPL secured a 90% shareholding in Hananta (with effect on 31 December 2020) pursuant to the capitalisation of a US\$140,000 loan advanced to Hananta to fund the initial US\$140,000 milestone payment to the Solaroz Owner on execution of the Solaroz Purchase Agreement.

On 22 March 2021, Strike assigned its interest and obligations under the Hananta Agreement to the Company.

The other minority shareholders of Hananta are Argentine registered Hanaq Argentina S.A. (**Hanaq**) (as to 9.5%) and Mr Xiaohuan Tang (as to 0.5%) (**Shareholders of Hananta**).

LEOPL will fund Hananta's payment obligations to the Solaroz Owner pursuant to the Solaroz Purchase Agreement, the Solaroz Lithium Project development costs to completion of bankable feasibility study (**BFS**) and Hananta's operating costs generally, with such funding to be provided as loans to Hananta, to be repaid to LEOPL as a priority prior to any (dividend or capital) distributions to Hananta shareholders.

15. MATERIAL CONTRACTS

After the completion of a BFS, Hananta may secure funds from debt and/or equity sourced from Hananta shareholders or third-parties. If a shareholder fails to meet a call to contribute capital pro-rata to their shareholding in Hananta, their shareholding will dilute in accordance with an industry standard dilution formula. Hanaq may at any time elect to covert its shareholding (currently 9.5%) in Hananta to a 1% 'Net Smelter Royalty'.

Hanaq will also provide a range of support (including office facilities) and personnel services (including office administration, accounting, treasury, project management, technical and operational supervision and support) to Hananta.

LEOPL may elect to terminate the Hananta Agreement with 3 month's prior notice if at any time it decides that the continued exploration and exploitation of the Solaroz Tenements is not commercially viable and LEOPL will retain its shareholding in Hananta in these circumstances.

15.4 SOLARAZ PURCHASE AGREEMENT

On 11 March 2019, Hananta entered into an 'exploration agreement with purchase option' (the Solaroz Purchase Agreement) with the registered legal and beneficial owner, Mr Pablo Moncholi (the Solaroz Owner), of 8 mineral Tenements (currently applications for exploitation concessions being processed before the Administrative Mining Court of the Province of Jujuy) (the Solaroz Tenements).

Under the Solaroz Purchase Agreement, Hananta is required (subject to not previously terminating the Solaroz Purchase Agreement as mentioned above) to make a series of payments in cash and (or at Hananta's election, shares in Hananta or a shareholder of Hananta that is listed on a stock market (and will, in effect, be Shares in the Company)) over a 4 year period totalling US\$6,590,000 to the Solaroz Owner according to the schedule below. At the completion of these payments, title to the Solaroz Tenements will be transferred to Hananta.

Hananta's Payment Schedule to Solaroz Owner

	Cash (US\$)	Plus Cash or Shares (US\$)	Total (US\$)
On execution of Solaroz Purchase Agreement (paid in April 2019)	140,000	-	140,000
6 months after the approval of the Environmental Impact Assessment (EIA) Report	120,000	-	120,000

	Cash (US\$)	Plus Cash or Shares (US\$)	Total (US\$)
12 months after EIA approval	330,000	-	330,000
18 months after EIA approval	880,000	750,000	1,630,000
30 months after EIA approval	1,180,000	1,000,000	2,180,000
42 months after EIA approval	1,190,000	1,000,000	2,190,000
Total	3,840,000	2,750,000	6,590,000

The schedule of payments has been structured such that the most significant payments are deferred until Lithium Energy (via Hananta) has had the opportunity to conduct sufficient exploration activities to confirm the prospects of the Solaroz Lithium Project.

Hananta is entitled to exclusively exercise all inherent ownership rights over the Solaroz Tenements, which includes exploration and evaluation activities. The commercial exploitation of the Solaroz Tenements will be permitted after Hananta has completed its payment obligations (as above) to the Solaroz Owner.

Hananta may elect to terminate the Solaroz Purchase Agreement with the Solaroz Owner at any time, with no penalty, save where any liabilities have been triggered under the payment schedule above. As LEOPL controls Hananta, Hananta's right to terminate the Solaroz Purchase Agreement will, in effect, be exercised by LEOPL and ultimately by the Company.

15.5 BURKE FARM-IN AGREEMENT

On 6 September 2016, LEAOPL entered into a farm-in agreement in relation to the Burke Tenements held by Burke Minerals Pty Ltd (BMPL) (the Burke Farm-In Agreement), pursuant to which:

- LEAOPL agreed to progressively expend \$250,000 within 2 years to fund further exploration and technical evaluation of the Burke Tenements;
- following completion of (a) above and payment of \$30,000 to BMPL, LEAOPL will complete its 60% earn-in into the Burke Tenements.
- then all expenditure will be shared in proportion to LEAOPL's then 60% and BMPL's then 40% respective beneficial interests in the Burke Tenements;
- if a party elects not to contribute their share of the proposed expenditure, their interest in the Burke Tenements will be reduced in accordance with an industry standard dilution formula; and
- should a party dilute to less than a 10% interest in the Burke Tenements, then that party's interest will automatically convert to a 2% Net Smelter Return (on production).

15. MATERIAL CONTRACTS

On or about 4 August 2017, LEAOPL completed its 60% earn-in obligations under the Burke Farm-In Agreement.

Based on expenditure incurred on the Burke Tenements and the application of the dilution mechanism under the Burke Farm-In Agreement, the current beneficial interests, as at 31 January 2021, in the Burke Graphite Project are

- LEAOPL – approximately 76.5% and
- BMPL – approximately 23.5%.

15.6 BURKE SPA

On 11 March 2021, the Company and LEAOPL entered into a conditional share sale and purchase agreement to acquire all of the (100) shares in BMPL from the shareholders of BMPL in consideration of the issue of a total of 600,000 Shares in the Company at \$0.20 per Share (valued at \$120,000), as follows (the Burke SPA):

- (a) 450,000 Shares (valued at \$90,000) to Peter Smith for the acquisition of 75% of BMPL; and
- (b) 150,000 Shares (valued at \$30,000) to Azalea Family Holdings Pty Ltd as trustee of the B and W Willesee Family Trust for the acquisition of 25% of BMPL.

(collectively the Burke Vendors)

BMPL is the registered holder of the Burke Tenements and has the residual approximately 23.5% beneficial interest in the Burke Tenements, pursuant to the Burke Farm-In Agreement.

Accordingly, after the completion of the Burke SPA, Lithium Energy will have a 100% legal and beneficial interest in the Burke Graphite Project/Burke Tenements.

Completion of the Burke SPA is conditional on:

- the successful completion of the Company's Issue under this Prospectus and its admission to the Official List of the ASX; and
- the discharge of 'existing loan payables' and all other liabilities of BMPL owed to the Burke Vendors (or their related body corporates).

15.7 LEAD MANAGER'S MANDATE

On 25 February 2021, the Company engaged Canaccord Genuity (Australia) Limited (Canaccord) to act on an exclusive basis as Lead Manager and Underwriter to the Issue (the Lead Manager's Mandate). Canaccord has agreed to fully underwrite the Offer (refer Section 15.8).

The Company will pay the following remuneration to Canaccord (exclusive of GST):

- (a) a management fee of \$30,000;
- (b) a Lead Manager's fee of 2% of Gross Proceeds received under the Issue;
- (c) a capital raising fee of 4 % of Gross Proceeds received under the Issue; and
- (d) the issue of 4,000,000 options (to a nominee of Canaccord), each to subscribe for a Share in the Company at an exercise price of \$0.30 on or before the third-anniversary of the Company's admission to the Official List and Quotation of its securities (the Broker's Options) (refer Section 16.2 for a summary of the terms and conditions of the Broker's Options).

The Company will reimburse Canaccord periodically (subject to receiving satisfactory evidence of such expense) reasonable out of pocket, travel and legal expenses (in the latter case capped at \$10,000) in connection with the performance by Canaccord of the Lead Manager's Mandate.

15.8 UNDERWRITING AGREEMENT

The Company entered into an Underwriting Agreement with Canaccord on 30 March 2021 pursuant to which the Company appointed Canaccord as the exclusive underwriter, book runner and lead manager of the Offer on, broadly, the following terms:

- (a) **(sub-underwriters)** Canaccord may, at its cost, appoint sub-underwriters to sub-underwrite the Offer;
- (b) **(fees)** the Company will pay Canaccord the fees as set out in the Lead Manager's Mandate;
- (c) **(conditions)** the Underwriting Agreement is conditional upon:
 - (i) the Company obtaining on or before the date of lodgement of this Prospectus, all ASX and ASIC waivers necessary to enable the Offer to proceed in accordance with the propose timetable;
 - (ii) lodgement of the Prospectus in a form and substance acceptable to Canaccord;
 - (iii) Canaccord being satisfied with the legal opinion of the Argentinian Legal Report and the Solicitor's Tenement Report (Australia), the Investigating Accountant's Report and the Company's due diligence committee report;
 - (iv) any two Directors delivering an opening and closing certificate to Canaccord at the relevant time;

15. MATERIAL CONTRACTS

- (v) ASX providing the Company with written approval for admission to the ASX and Quotation, by 5pm on the relevant date; and
- (vi) the Underwriting Agreement has not been terminated;
- (d) **(termination mechanics):** Canaccord may terminate the Underwriting Agreement, without liability, if:
 - (i) the S&P/ASX 200 Index published by ASX is more than 7.5% below its level as at 5:00 pm on the Business Day immediately preceding the date of the Underwriting Agreement;
 - (ii) the S&P/ASX Small Resources Index published by ASX is more than 10% below its level as at 5:00 pm on the Business Day immediately preceding the date of the Underwriting Agreement;
 - (iii) there is a Material Adverse Effect (defined in the Underwriting Agreement to be a material adverse effect on (A) the success of the Offer; (B) the ability of Canaccord to market or promote the Offer; (C) the willingness of persons to apply for, or settle obligations to subscribe for, Shares under the Offer; (D) the price or likely price at which Shares are likely to trade on ASX; or (E) the condition, trading or financial position and performance of the Company or its subsidiaries) happens to the Company or its subsidiaries described in this Prospectus;
 - (iv) ASIC action is brought against the Company;
 - (v) the Takeovers Panel makes a declaration of unacceptable circumstances, or an application for such a declaration is made to the Takeovers Panel;
 - (vi) an event occurs which makes it illegal for Canaccord to underwrite the Offer;
 - (vii) a person who has consented to the issue of the Prospectus withdraws that consent;
 - (viii) the Company withdraws the Prospectus or the Offer;
 - (ix) the Company refunds, or gives an opportunity to investors to withdraw their application for Shares;
 - (x) ASX indicates that the required approval for Quotation is not likely to be provided;
 - (xi) any ASX or ASIC waivers obtained are withdrawn, revoked or amended without the consent of Canaccord;
 - (xii) Canaccord forms the view that the Prospectus is materially deficient or misleading;
 - (xiii) the Company or the Directors engage in fraud or misleading and deceptive conduct in relation to the Offer;
 - (xiv) a person gives notice to Canaccord under section 730 of the Corporations Act;
 - (xv) insolvency of the Company or its subsidiaries;
 - (xvi) a certificate which is required under the Underwriting Agreement is not provided by the Company or is misleading or deceptive;
 - (xvii) any authorisation which is material to anything referred to in this Prospectus is revoked in a manner unacceptable to Canaccord;
 - (xviii) any expectation or intention relating to future matters in the Prospectus or other relevant publication is or becomes incapable of being met;
 - (xix) the timetable to Quotation is delayed for more than 1 Business Day without the consent of Canaccord;
 - (xx) an event of default occurs with respect to a debt or financing arrangement of the Company or its subsidiaries;
 - (xxi) a Director or senior executive is charged with a criminal offence or is disqualified from managing corporations; or
 - (xxii) a Restriction Agreement is terminated or any party commits a material breach of the Restriction Agreement, or is amended in any material respect without the prior consent of Canaccord;
- (e) **(general termination)** Canaccord may also terminate the Underwriting Agreement if a Material Adverse Effect occurs as a result of:
 - (i) the Company lodges a supplementary Prospectus or one is required to be lodged;
 - (ii) the Company fails to comply with its obligations under the Underwriting Agreement;
 - (iii) a new circumstance arises which is adverse to investors in Shares and which would have been required to be included under the Corporations Act in the Prospectus if it arose before the Prospectus was given to ASIC or ASX;
 - (iv) hostilities commence or escalate, or a declaration is made of a national emergency or war or terrorist act occurs in any one or more of Australia, the United States of America, the United Kingdom, any member

15. MATERIAL CONTRACTS

of the European Union, Indonesia, Japan, China, South Korea or Argentina;

- (v) a new law is introduced in Australia;
- (vi) material adverse change occurs in the financial markets or political conditions of Australia, Japan, Argentina, the United Kingdom, the United States of America or any members state of the European Union or trading suspends for all securities quoted on the ASX, the London Stock Exchange or the New York Stock Exchange;
- (vii) the underwriter believes that an adverse change to the financial position and performance of the Company has occurred as a direct result of COVID-19 or SARS-CoV-2;
- (viii) a change to the Board or senior management occurs or any of them die or become permanently incapacitated;
- (ix) an adverse change, or a potential adverse change, occurs to the Company's financial position or performance;
- (x) there is an error in any due diligence material prepared for the purposes of preparing this Prospectus;
- (xi) a contravention by the Company or its subsidiary of its constitution, applicable law or the Listing Rules;
- (xii) litigation, arbitration, administrative or industrial proceedings are after the date of this agreement, commenced against the Company or its subsidiaries;
- (xiii) any person is appointed to investigate the affairs of the Company or its subsidiaries under law;
- (xiv) any material contract or agreements is terminated, altered, amended (in each case without consent) or found to be void or voidable;
- (xv) without the consent of Canaccord, the Company issues its share capital or constitution; or
- (xvi) a Prescribed Occurrence (being any event specified in paragraphs (a) to (h) of sections 652C(1) of (2) of the Corporations Act as if references to 'the target' were replaced with 'the Company') in respect of the Company occurs during the Offer period.

The Underwriting Agreement is otherwise on customary terms for offers similar to the Offer.

15.9 DIRECTORS' DEED

The Company has entered into a Director's Access, Indemnity and Insurance Deed (Director's Deed) with each of the Directors to regulate certain matters between the Company and each Director, both during the time the Director holds office and after the Director ceases to be an officer of the Company (or wholly owned subsidiaries) (the Director's Deed). A summary of the Director's Deed is set out in Section 13.7.

15.10 IPO FUNDING DEED

The Company has entered into the IPO Funding Deed (dated 18 February 2021) with Strike pursuant to which Strike has agreed to advance monies, provide financial support (including but not limited to the provision of guarantees on behalf of the Company) and indemnify the Company for all costs and expenses incurred by the Company in undertaking and completing the Offer/Issue, through (inter alia) the provision of unsecured non-recourse loans to the Company as requested by the Company from Strike from time to time. The Company will repay Strike from the Gross Proceeds received under the Issue.

16. RIGHTS ATTACHED TO SECURITIES

16.1 RIGHTS ATTACHING TO SHARES

All Offer Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally with all the Company's existing Shares.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be obtained by contacting the Company at its registered office during normal business hours during the Offer Period.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

1. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of Shareholders of the Company:

- (a) Each Shareholder entitled to vote may vote in person or by proxy, attorney or representative.
- (b) On a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote.
- (c) On a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for that Share.
- (d) A Shareholder being a holder of Restricted Securities is not entitled to vote for so long as any breach of the Restriction Agreement relating to those securities subsists.

2. Dividend Rights

Subject to the Corporations Act and the Listing Rules and to the rights of any person entitled to Shares with special rights as to dividends, (at present there are none), the Directors may determine that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each Shareholder entitled to that dividend.

Subject to the rights of any persons entitled to Shares with special rights as to dividends and to the terms of issue of any Shares to the contrary, all sums that the Company determines are to be distributed among Shareholders as dividends are divisible among the Shareholders so that, on each occasion on which a dividend is paid the same sum is paid on each Share on which all amounts payable have been paid.

When resolving to pay a dividend the Directors may, resolve that the dividend be satisfied wholly or partly by the distribution of specific assets to some or all of the persons entitled to the dividend, including fully paid Shares in the Company or fully paid Shares in any other body corporate and direct that the dividend payable in respect of any particular Shares be satisfied wholly or partly by such a distribution and that the dividend payable in respect of other Shares be paid in cash.

If a distribution of specific assets to, or at the direction of, a particular Shareholder is illegal or, in the Directors' opinion, impracticable the Directors may make a cash payment to the Shareholder on the basis of the cash amount of the dividend instead of the distribution of specific assets.

Subject to the Listing Rules, the Directors may grant to Shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit.

Subject to the Listing Rules, the Directors may determine in respect of any dividend which it is proposed to pay on any Shares of the Company that holders of the Shares may elect to forego the right to share in the proposed dividend or part of such proposed dividend and to receive instead an issue of Shares credited as fully paid on such terms as the Directors think fit.

Unclaimed dividends may be invested by the Directors as they think fit for the benefit of the Company until claimed or until required to be dealt with in accordance with any law relating to unclaimed moneys.

3. Company to register forms without charge

The Company must register all registrable transfer forms, split certificates, renunciations and transfers, issue certificates and transmission receipts and mark or note transfer forms without imposing a charge except where a charge is permitted by the Listing Rules.

4. Reduction of Capital

The Company may, subject to the Corporations Act, reduce its Share capital in any way including, but not limited to, distributing securities of any other body corporate to Shareholders and for the Shareholders to be bound by the constitution of that body corporate.

5. Share Capital

The issue of Shares in the Company is under the control of the Directors who may:

- (a) issue and cancel Shares in the Company;

16. RIGHTS ATTACHED TO SECURITIES

- (b) grant options over unissued Shares in the Company; and
- (c) settle the manner in which fractions of a Share, however arising, are to be dealt with,

subject to the Corporations Act, the Listing Rules, this Constitution and any special rights conferred on the holders of any Shares or class of Shares.

6. Rights on Winding Up

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

7. Procedure to Approve Proportional Takeover Bid

The Constitution prohibits the registration of Shares under a proportional takeover bid until a resolution approving the bid has been passed by those persons entitled to vote on it at a general meeting or by a postal ballot.

These provisions will cease to have effect at the end of three years beginning on the date the Constitution was adopted (on 15 March 2021) unless renewed in accordance with the Corporations Act and thereafter on the third anniversary of such renewal.

8. Breach of Restriction Agreement or Listing Rules

If a Shareholder holding Restricted Securities breaches a Restriction Agreement, or a provision of the Constitution of the Company restricting a disposal of Restricted Securities, the Shareholder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues. However, those Restricted Securities will not be treated as, or taken to be, a separate class of Shares for any purpose.

16.2 RIGHTS ATTACHING TO BROKER'S OPTIONS

The Broker's Options proposed to be issued pursuant to the Lead Manager's Mandate will be issued on the following terms and conditions (defined terms in this section are applicable only in this Section 16.2):

1. Entitlement

Each option (Option) shall entitle the Option Holder to subscribe (in cash) for one (1) Share at an Exercise Price of \$0.30 per Share.

2. Option Period

Each Option will expire three (3) years from the date of their issue (Option Expiry Date). Subject to Clause 5 hereof, each Option may be exercised at any time prior to the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.

3. Ranking of Share Allotted on Exercise of Option

Each Share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all respects equally with the existing Shares in the capital of the Company on issue at the date of allotment.

4. Notification to Option Holders

The Option Holder will be entitled to receive - and will be sent - all reports, accounts and notices required to be given to the members of the Company but will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

5. Method of Exercise of an Option

- 5.1 A certificate or holding statement will be issued by the Company with respect to Options held by an Option Holder. Attached to or endorsed on the reverse side of each certificate or holding statement will be a notice that is to be completed by the Option Holder when exercising the Options the subject of the certificate or holding statement (**Notice of Exercise of Options**). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Company Secretary. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary Shares in the capital of the Company to be issued. The number of Options exercised must be a multiple of 1,000 if only part of the Option Holder's total Options are exercised. If the total number of Options held by the Option Holder is less than 1,000, then all Options held by the Option Holder must be exercised at the same time.
- 5.2 The Notice of Exercise of Options by the Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed for, being an amount equal to the Exercise Price per Share multiplied by the number of Options being exercised.
- 5.3 Subject to Clause 5.1 hereof, the exercise of less than all of the Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's remaining Options.

16. RIGHTS ATTACHED TO SECURITIES

- 5.4 On exercise of Options, the Option Holder must surrender to the Company the Option Holder's option certificate or holding statement for the Options being exercised.
- 5.5 If the Option Holder exercises less than the total number of Options then registered in the Option Holder's name:
- (a) the Option Holder must surrender the option certificate or holding statement with respect to the Option Holder's Options to the Company; and
 - (b) the Company must cancel that option certificate or holding statement and issue to the Option Holder a new certificate or holding statement with respect to the balance of the Option Holder's unexercised Options.
- 5.6 Within five (5) business days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
- 5.7 The Company will (subject to any escrow restrictions imposed by ASX) within five (5) Business Days from the date of issue and allotment of Shares pursuant to the exercise of Options, apply to ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules.

6. Reconstruction

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of the Option Holder will be treated in the manner set out in the Listing Rules of ASX applying to reconstructions at that time.

7. Participation in New Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the Option Expiry Date unless and until the Options are exercised. Prior to any new pro-rata issue of securities to shareholders, holders of Options will be notified by the Company in accordance with the requirements of the Listing Rules.

8. Change of Options Exercise Price or Number of Underlying Shares

- 8.1 If the Company makes a pro-rata issue (except a bonus issue) to the holders of ordinary Shares, the exercise price of each Option shall be adjusted in accordance with the provisions of the Listing Rules of ASX. No change will be made pursuant to the application of the above formula to the number of Shares to which the Option Holder is entitled.
- 8.2 If the Company makes a bonus issue of Shares or other securities convertible into ordinary Shares pro-rata to holders of ordinary Shares the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised by the Option Holder prior to the book closing date for bonus Shares. No change will be made in such circumstances to the exercise price of each Option.

16.3 RIGHTS ATTACHED TO EXECUTIVE OPTIONS

The Executive Options currently on issue to the Directors and the Company Secretary of the Company (as outlined at Section 13.5) have been issued on the following terms and conditions (defined terms in this section are applicable only in this Section 16.3):

1. Entitlement

- 1.1 Each Option shall entitle the Executive (the Option Holder) to subscribe (in cash) for one Share at the Exercise Price.
- 1.2 "Exercise Price" means \$0.30 per Option.
- 1.3 "Executive" means an Executive Director and the Company Secretary of the Company.
- 1.4 The Options will not be quoted on the ASX.

2. Option Period

- 2.1 Each Option will expire at 5:00pm (Perth time) on the day prior to the third anniversary of the Acceptance Date (such date being referred to as the Option Expiry Date) [being 18 March 2024]. Subject to Clauses 3 and 7 hereof, each Option may be exercised by the Option Holder at any time prior to the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.
- 2.2 "Acceptance Date" means the date the Executive submits an application in respect of the Options, pursuant to an invitation from the Company [being 19 March 2021].

16. RIGHTS ATTACHED TO SECURITIES

3. Lapsing of Options Prior to Option Expiry Date

5.1 Options will lapse prior to the Option Expiry Date in the circumstances described below:

5.1.1 Upon determination by the Board that the Executive Option Holder has acted fraudulently, dishonestly or in breach of his obligations to the Company;

5.1.2 Upon the Executive Option Holder ceasing to be an officeholder (and employee, where applicable) of the Company (for whatever reason including by retirement, resignation, termination, removal by shareholders or failure to be re-elected by shareholders) and not exercising the option within three (3) months following that event; or

5.1.3 Six (6) months after the death, permanent illness or permanent physical or mental incapacity of a Executive Option Holder,

unless the Board determines, in its unfettered discretion, that the Options or any of them will not lapse or that their lapse will be delayed for any period or until the occurrence of any condition.

5.2 Nothing in this clause means that any Option can be exercised after the Option Expiry Date.

5.3 “Executive Option Holder” means:

5.3.1 the Option Holder (being the Executive of the Company at the date of issue) if the Option has not been transferred under clause 6 or;

5.3.2 the original Option Holder (being the Executive of the Company at the date of issue) if the Option has been transferred under clause 6.

4. Ranking of Share Issued on Exercise of Option

Each Share issued as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all respects equally with all of the existing Shares on issue at the date of issue of the Share issued pursuant to the exercise of the Option.

5. Notification to Option Holders

The Option Holder will be entitled to receive - and will be sent - all reports, accounts and notices required to be given to the members of the Company but will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

6. Dealings in Options

6.1 Save as provided in clause 6.2, the Option Holder may not sell, transfer, assign, mortgage or otherwise encumber an Option, unless agreed in writing by the Board and subject to any applicable law and the ASX Listing Rules.

6.2 If the Option Holder is the Executive to whom the Company has offered to apply for Options, the Executive/Option Holder may at any time transfer all or any of their Options to the Executive's spouse, to a company in which the Executive or his spouse is a shareholder, to a trustee of a trust in which the Executive or his spouse has a beneficial interest to be held on that trust or to the trustee of any superannuation fund of which the Executive or his spouse is a member to be held in that member's account, subject to any applicable law and the ASX Listing Rules. After any transfer of an Option permitted by this clause 6.2, a reference to the Option Holder is a reference to the transferee.

7. Method of Exercise of an Option

7.1 A certificate or holding statement will be issued by the Company with respect to Options held by the Option Holder. Attached to or endorsed on the reverse side of each certificate or holding statement will be a notice that is to be completed by the Option Holder when exercising the Options the subject of the certificate or holding statement (Notice of Exercise of Options). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Company Secretary of the Company. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of Shares to be issued. The number of Options exercised must be a multiple of 1,000 if only part of the Option Holder's total Options are exercised. If the total number of Options held by the Option Holder is less than 1,000, then all Options held by the Option Holder must be exercised at the same time.

7.2 The Notice of Exercise of Options by the Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed for, being an amount equal to the Exercise Price per Option multiplied by the number of Options being exercised.

7.3 Notwithstanding Clause 7.1, if the Option Holder wishes to exercise some or all of the Options, it may elect to pay the Exercise Price per Option by using a cashless exercise facility which entitles the Option Holder to set-off the Exercise Price per Option against the number of Shares which the Option Holder is entitled to receive upon exercise of its Options.

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If an Option Holder elects to use the cashless exercise facility, the Option Holder will only be issued that number of Shares (rounded down to the nearest whole number) as are equal to the value of the difference between the Exercise Price per Option otherwise payable for the exercise of the Options and the then market value of the Shares at the time of exercise (determined as the volume weighted average price of Shares on the ASX over the five trading days prior to exercise).

- 7.4 Subject to Clause 7.1 hereof, the exercise of less than all of the Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holders remaining Options.
- 7.5 On exercise of Options, the Option Holder must surrender to the Company the Option Holder's Option certificate or holding statement for the Options being exercised.
- 7.6 If the Option Holder exercises less than the total number of Options then registered in the Option Holder's name:
- 7.6.1 the Option Holder must surrender the Option certificate or holding statement with respect to the Option Holder's Options to the Company; and
- 7.6.2 the Company must cancel that Option certificate or holding statement and issue to the Option Holder a new certificate or holding statement with respect to the balance of the Option Holder's unexercised Options.
- 7.7 Within five (5) business days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue to the Option Holder that number of Shares so subscribed for by the Option Holder.
- 7.8 The Company will (subject to any escrow restrictions imposed by ASX) within five (5) business days from the date of issue and allotment of Shares pursuant to the exercise of Options, apply to ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act (Cth) 2001 and the Listing Rules of ASX.

8. Reconstruction

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of the Option Holder will be treated in the manner set out in the Listing Rules of ASX applying to reconstructions at that time.

9. Participation in New Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the Option Expiry Date unless and until the Options are exercised. Prior to any new pro-rata issue of securities to Shareholders, holders of Options will be notified by the Company in accordance with the requirements of the Listing Rules.

10. Change of Options Exercise Price or Number of Underlying Shares

- 10.1 If the Company makes a pro-rata issue (except a bonus issue) to its Shareholders, the Exercise Price of each Option shall be adjusted in accordance with the provisions of the Listing Rules of ASX. No change will be made pursuant to the application of the above formula to the number of Shares to which the Option Holder is entitled.
- 10.2 If the Company makes a bonus issue of Shares or other securities convertible into Shares pro rata to holders of Shares the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised by the Option Holder prior to the book closing date for bonus Shares. No change will be made in such circumstances to the Exercise Price of each Option.

16.4 SECURITIES INCENTIVE PLAN

The Company has adopted a Securities Incentive Plan on 15 March 2021.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of securities (which includes a Share, a right to a Share, an option over an issued or unissued security and a convertible security) in the Company on such terms and conditions as the Board may decide and otherwise pursuant to the rules of the Plan.

A summary of the Plan is set out below:

1. **(Eligible Participant):** Eligible Participant means a person that:
- (a) is an 'eligible participant' (as that term is defined in ASIC Class Order CO 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and

16. RIGHTS ATTACHED TO SECURITIES

- (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
 - (a) assist in the reward, retention, and motivation of Eligible Participants;
 - (b) link the reward of Eligible Participants to Shareholder value creation; and
 - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for securities on such terms and conditions as the Board decides. On receipt of an invitation, an Eligible Participant may apply for the securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Eligible Participant the relevant number of securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
6. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to a Convertible Security being exercised, an Eligible Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding

the Convertible Security. An Eligible Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. An Eligible Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Eligible Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Eligible Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, subject to Board approval at that time, the Eligible Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Eligible Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

'Market Value' means, at any given date, the volume weighted average price per Share traded on the ASX over the five trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

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9. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by an Eligible Participant, the Company will issue or cause to be transferred to that Eligible Participant the number of Shares to which the Eligible Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Eligible Participant.

10. **(Forfeiture of Convertible Securities):** Where an Eligible Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest. Where the Board determines that an Eligible Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

11. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Eligible Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Eligible Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

12. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to an Eligible Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank *pari passu* in all respects with the Shares of the same class. An Eligible Participant will be entitled to any

dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. An Eligible Participant may exercise any voting rights attaching to Plan Shares.

13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by an Eligible Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Eligible Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

16. RIGHTS ATTACHED TO SECURITIES

16. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

17. **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Eligible Participants.

If an Eligible Participant and the Company (acting by the Board) agree in writing that some or all of the securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

17. OTHER ADDITIONAL INFORMATION

17.1 INCORPORATION

Lithium Energy Limited is a public company limited by shares that was incorporated in Western Australia on 14 January 2021.

17.2 COMPANY TAX STATUS

The Directors expect that the Company will be taxed in Australia as a public company.

17.3 FINANCIAL YEAR

The financial year of the Company ends on 30 June annually.

17.4 DIVIDEND POLICY

The Company anticipates that significant expenditure will be incurred in the exploration, evaluation and development of the Company's Projects. Accordingly, the Company does not expect to declare any dividends during this period. Upon the Company achieving sustained profitability, the Directors at their discretion will consider paying dividends, subject to available cash flow and capital requirements.

No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

17.5 LEGAL PROCEEDINGS

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus, the Company is not involved in any legal proceedings, nor so far as the Directors are aware, are any legal proceedings pending or threatened against the Company the outcome of which will have a material adverse effect on the business or financial position of the Company.

17.6 TAXATION

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor.

All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

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

17.7 CHESS

The Company participates in the Clearing House Electronic Sub register System (**CHESS**), operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**) (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASTC Settlement Rules. The Company operates an electronic issuer-sponsored sub register and an electronic CHESS sub register. The two sub registers together will make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Applicants. Instead, the Company will provide Applicants with a holding statement (which is similar to a bank account statement) that sets out the number of Shares allotted to that Applicant under this Prospectus.

If a Shareholder is broker sponsored, ASX Settlement will send the Shareholder a CHESS statement.

This statement will also advise investors of either their Holder Identification Number (HIN) in the case of a holding on the CHESS sub register or Security Holder Reference Number (SRN) in the case of a holding on the issuer-sponsored sub register.

A statement will be routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time, however, a charge may be incurred for additional statements.

17.8 CONTINUOUS DISCLOSURE

Following admission to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to additional obligations under the Corporations Act, including:

- (a) the special requirements that apply to remuneration recommendations in relation to key management personnel;
- (b) the obligation to prepare financial statements and reports for half-years as well as full financial years, as detailed in Chapter 2M of the Corporations Act; and
- (c) the continuous disclosure requirements under the Corporations Act (in addition to the other obligations that will apply under the Listing Rules following the Company's admission to the Official List).

17. OTHER ADDITIONAL INFORMATION

The Company will comply with its continuous disclosure requirements by publicly releasing price sensitive information through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirm that an announcement has been released, with the aim of making the information readily accessible to the widest audience.

17.9 DISTRIBUTION OF PROSPECTUS

The Prospectus has been prepared by the Company. In preparing the Prospectus, the Company has taken reasonable steps to ensure that the information in it is not false or misleading. In doing so, the Company has had regard to the prospectus requirements of the Corporations Act.

Prospective investors should read the full text of the Prospectus as the information contained in individual sections is not intended to and does not provide a comprehensive review of the business and financial affairs of the Company nor the securities offered pursuant to the Prospectus.

No person is authorised to give any information in relation to or to make any representation in connection with the Offer described in the Prospectus that is not contained in the Prospectus.

Any such information or representation may not be relied upon as having been authorised by the Company in connection with the Offer.

The Prospectus provides information to assist investors in deciding whether they wish to invest in the Company and should be read in its entirety. If you have any questions about its contents or investing in the Company you should contact your stockbroker, lawyer, accountant or other financial adviser.

17.10 ELECTRONIC PROSPECTUS

If investors have received this Prospectus as an electronic Prospectus, they should ensure that they have received the entire Prospectus accompanied by the relevant Application Form. If not, investors should contact the Company who will send investors, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, investors may obtain a copy of the Prospectus from the Share Registry website: <https://www.advancedshare.com.au/IPO-Offers>

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

17.11 INTERESTS OF PERSONS NAMED

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoter or stockbroker to the Company or Lead Manager or Underwriter to the Issue has, or had within two years before lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of Shares under this Prospectus; or
- (c) the offer of Shares under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the offer of Shares under this Prospectus.

Advanced Share Registry has been appointed to conduct the Company's Share Registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions. Advanced Share Registry is also the Share Registry of the Company's parent, Strike.

Rothsay Auditing has been appointed to act as Auditor to the Company. The Company has not accrued any expenses in relation to audit work prior to the date of this Prospectus. During the 2 years preceding the lodgment of this Prospectus, Rothsay Auditing has not provided services to the Company (but provided audit services to the Company's parent, Strike).

Canaccord Genuity (Australia) Limited has been appointed the Lead Manager and Underwriter to the Issue. Details of Canaccord's remuneration is set out in Section 15.7. During the 2 years preceding the lodgment of this Prospectus, Canaccord has not provided services to the Company (but has provided services to the Company's parent, Strike).

17. OTHER ADDITIONAL INFORMATION

Rothsay, has prepared the Investigating Accountant's Report in Section 7. The Company estimates that it will pay a total of \$8,000 (excluding GST) for this work. During the 2 years preceding the lodgment of this Prospectus, Rothsay has not provided services to the Company (but has provided services to the Company's parent, Strike).

Agricola Mining Consultants Pty Ltd has prepared the Independent Technical Assessment Report in Section 9. The Company estimates that it will pay a total of \$12,500 (excluding GST) for this work. During the 2 years preceding the lodgment of this Prospectus, Agricola Mining Consultants Pty Ltd has not provided services to the Company.

Saravia Frias have prepared the Argentinian Legal Report in Section 10. The Company estimates that it will pay a total of US\$6,000 for this work. During the 2 years preceding the lodgment of this Prospectus, Saravia Frias have not provided legal services to the Company (but has provided legal services to the Company's parent, Strike).

Squire Patton Boggs have prepared the Solicitors Tenement Report (Australia) in Section 11. The Company estimates that it will pay a total of \$10,000 (excluding GST) for this work. Squire Patton Boggs have also been engaged as the Australian lawyers to the Company in relation to the Issue. The Company estimates that it will pay a total of \$50,000 (excluding GST) for these services. During the 2 years preceding the lodgment of this Prospectus, Squire Patton Boggs have not provided legal services to the Company.

17.12 CONSENTS

The following persons have each consented to being named in the Prospectus and to the inclusion of the following statements and statements identified in this Prospectus as being based on statements made by those persons, in the form and context in which they are included, and have not withdrawn that consent before lodgment of this Prospectus with the ASIC:

- (a) Rothsay, who prepared the Investigating Accountant's Report in Section 7.
- (b) Agricola Mining Consultants Pty Ltd and Mr Malcolm Castle, who prepared the Independent Technical Assessment Report in Section 9;
- (c) Saravia Frias, who prepared the Argentinian Legal Report in Section 10;
- (d) Squire Patton Boggs, who prepared the Solicitor's Tenement Report (Australia) in Section 11;
- (e) Mr Peter Smith, who has been named as a Competent Person in Section 8.5 (in relation to information in this Prospectus that relates to Exploration Results in relation to the Solaroz Lithium Project and Exploration Results (including

the ground EM survey) in relation to the Burke Graphite Project);

- (f) Dr Andrew Scogings and Mr Grant Louw, who have been named as Competent Persons in Section 8.5 (in relation to information in this Prospectus that relates to Mineral Resources in relation to the Burke Graphite Project);
- (g) Mr Peter Adamini, who has been named as a Competent Person in Section 8.5 (in relation to information in this Prospectus that relates to metallurgical test work results in relation to the Burke Graphite Project); and
- (h) Strike Resources Limited.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the reports or statements referred to above and the statements identified in this Prospectus as being made by or based on statements made by those persons.

The following persons have consented to being named in this Prospectus but have not made any statements that are included in this Prospectus or statements identified in this Prospectus as being based on any statements made by those persons (other than those set out above), and have not withdrawn their consent before lodgment of this Prospectus with ASIC:

- (a) Advanced Share Registry, as the Share Registry of the Company;
- (b) Rothsay, as Auditor to the Company;
- (c) Canaccord Genuity (Australia) Limited, as the Lead Manager and Underwriter to the Issue; and
- (d) Squire Patton Boggs, as the Australian lawyers to the Company.

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to their name.

This Prospectus contains various references to persons or companies. Unless otherwise stated, none of these persons or companies has consented to the inclusion of those references in this Prospectus.

17.13 ACKNOWLEDGEMENT AND PRIVACY

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

17. OTHER ADDITIONAL INFORMATION

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by the Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities including the Australian Taxation Office.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about that Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution of payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including but not limited to those listed below or as otherwise authorised under the *Privacy Act 1988 (Cth)* (as amended):

- (a) the Share Registry for on-going administration of the Share register;
- (b) the printers and mailing house for the purposes of preparation and distribution of Shareholder related correspondence and mail;
- (c) investor relations and market research consultants or firms for the purpose of analysing the Company's Shareholder base and for product development and planning; and
- (d) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

Under the *Privacy Act 1988 (Cth)*, you may request access to your personal information held by, or on behalf of, the Company or the Share Registry. You can request access to your personal information by telephoning or writing to the Share Registry.

18. GLOSSARY

Save as otherwise defined in this Prospectus, the following terms have the following meanings:

AIG means Australian Institute of Geoscientists.

Applicant means a person who submits an Application.

Application means a valid application to subscribe for Shares under the Offer.

Application Form means the application forms attached to and forming part of this Prospectus with respect to the Strike Priority Offer and the Public Offer pursuant to which the Offer may be accepted.

Application Monies means the sum of \$0.20 per Share for the number of Shares applied for and specified on the Application Form and payable on submission of an Application Form pursuant to this Prospectus.

Argentinian Legal Report means the report prepared by Saravia Frias contained in Section 10.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd A.C.N. 008 504 532.

ASX means ASX Limited A.C.N. 008 624 691 operating as the Australian Securities Exchange.

Auditor means Rothsay.

AusIMM means the Australasian Institute of Mining and Metallurgy.

Bentley means Bentley Capital Limited ABN 877 08 108 218 (ASX: BEL).

BMPL means Burke Minerals Pty Ltd ABN 52 166 868 826.

Board means the board of Directors unless the context indicates otherwise.

Broker's Options means the 4,000,000 Options proposed to be issued pursuant to the Lead Manager's Mandate, referred to in Sections 15.7 and 16.2.

Burke Farm-In Agreement means the farm-in agreement (dated 6 September 2016) between LEAOPL and BMPL in relation to the Burke Tenements, referred to in Section 15.5.

Burke Graphite Project means the proposed mineral exploration, evaluation, assessment and development activity and associated programme of works to

commercially exploit the Burke Tenements, which are also described in Sections 8.1, 8.3, 8.4 and 9.

Burke Mining Tenement means exploration permit for minerals EPM 25443 in Queensland, Australia, being one of the Burke Tenements.

Burke SPA means the share sale and purchase agreement (dated 11 March 2021) between the Company, LEAOPL, BMPL and each of the Burke Vendors, pursuant to which LEAOPL will acquire BMPL, referred to in Section 15.6.

Burke Tenements means the Burke Mining Tenement and the Corella Mining Tenement.

Burke Vendors means the shareholders of BMPL, namely Mr Peter Smith as to a 75% shareholding in BMPL and Azalea Family Holdings Pty Ltd (as trustee for the B and W Willesee Family Trust) as to a 25% shareholding in BMPL.

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

Canaccord means Canaccord Genuity (Australia) Limited ABN 19 075 071 466; AFSL 234666.

CHESS means the Clearing House Electronic Sub registry System operated by ASTC.

Closing Date means the date on which the relevant Offer closes being:

- (a) for the Strike Priority Offer, 21 April 2021; and
- (b) for the Public Offer, 29 April 2021.

Company or **Lithium Energy** means Lithium Energy Limited ACN 647 135 108.

Competent Person has the meaning under the JORC Code.

Consolidated Entity means the Company and its controlled entities (comprising LEAOPL, LEOPL and Hananta).

Constitution means the constitution of the Company approved by Shareholders, from time to time.

Corella Mining Tenement means exploration permit for minerals EPM 25696 in Queensland, Australia, being one of the Burke Tenements.

Corporations Act and Act means the *Corporations Act 2001 (Cth)*.

D & O Policy means directors' and officers' insurance policy.

18. GLOSSARY

Deep Sand Unit has the meaning given in Section 8.2.

Directors means the directors of the Company from time to time.

Director's Deed means the Director's Access, Indemnity and Insurance Deed between the Company and each of the Directors, referred to in Section 13.6.

Director's Disclosure Agreement means the agreement between a Director and the Company imposing the obligation on the Director to provide the necessary information to the Company in a timely manner to enable the Company to comply with its disclosure obligations to ASX in relation to Directors' interests in securities and in contracts relevant to securities.

Dollars or \$ means Australian dollars unless otherwise stated.

EIA Report means the Environmental Impact Assessment Report in relation to the Solaroz Lithium Project, also referred to in Sections 8.2 and 10.

ECE means Electrochemical Exfoliation.

Eligible Strike Shareholders means shareholders of Strike with a registered address in Australia, as at the Record Date.

EM means Electro Magnetic.

Executive Options means the 10,000,000 Options (each with an exercise price of \$0.30 and an expiry date of 18 March 2024) issued to the Executive Directors and the Company Secretary, referred to in Sections 13.5 and 16.3.

Exploration Results has the meaning under the JORC Code.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Glossary means this glossary in Section 18.

Gross Proceeds means the sum of \$9,000,000 to be raised under the Offer.

GST means the goods and services tax described in the GST Act or any similar tax.

GST Act means *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* and related Acts.

Hananta means Hananta S.A., a company registered in Argentina.

Hananta Agreement means the agreement (dated 28 February 2019) between Strike (which has since assigned its rights and obligations under the same to the Company on 22 March 2021), LEOPL, Hananta and the Shareholders of Hananta, pursuant to which Lithium Energy has secured an interest in the Solaroz Lithium Project, referred to in Sections 10 and 15.3.

Hanaq means Hanaq Argentina S.A., a company registered in Argentina and a Shareholder of Hananta.

HIN means or Holder Identification Number pertaining to a Shareholding on the CHES sub-register.

Investigating Accountant's Report means the report prepared by Rothsay contained in Section 7.

JORC means Joint Ore Reserves Committee.

JORC Code or JORC Code (2012) means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) prepared by the JORC.

Independent Technical Assessment Report means the report prepared by Agricola Mining Consultants Pty Ltd A.C.N. 127 072 459 contained in Section 9.

IPO Funding Deed means a deed (dated 18 February 2021) pursuant to which Strike has agreed to provide financial assistance (including unsecured non-recourse loans) to the Company to meet all costs and expenses incurred by the Company in undertaking and completing the Offer/Issue (to be repaid from Gross Proceeds received under the Issue), referred to in Section 15.10.

Issue means the issue of 45,000,000 Shares pursuant to this Prospectus, at the Offer Price per Share.

LEAOPL means LE Australian Operations Pty Ltd ABN 73 119 438 265.

LEAOPL Restructure Agreement means the agreement (dated 18 February 2021) between the Company, Strike and LEAOPL pursuant to which the Company acquired LEAOPL from Strike, referred to Section 15.2.

Lead Manager means Canaccord.

Lead Manager's Mandate means the mandate (dated 25 February 2020) pursuant to which the Company has engaged the Lead Manager.

LEOPL means LE Operations Pty Ltd ABN 12 102 978 370.

18. GLOSSARY

LEOPL Restructure Agreement means the agreement (dated 18 February 2021) between the Company, Strike and LEOPL pursuant to which the Company acquired LEOPL from Strike, referred to Section 15.1.

Listing Rules means Listing Rules of the ASX.

Lithium Americas Corporation means Lithium Americas Corporation (TSX/NYSE Code: LAC).

Maximum Entitlement means each Eligible Strike Shareholder's maximum entitlement under the Strike Priority Offer calculated pro-rata to their shareholding in Strike as at the Record Date.

Mineral Resources and **Mineral Reserves** have the Meanings under the JORC Code.

Minimum Application means an Application in respect of 10,000 Shares requiring Application Monies of \$2,000.

MRE means Mineral Resource Estimate.

NYSE means the New York Stock Exchange located in New York, United States of America.

Offer means the offer of Shares pursuant to this Prospectus, which comprises the Strike Priority Offer and the Public Offer.

Offer Period means the period commencing on the Opening Date and ending on the relevant Closing Date.

Offer Price means \$0.20 per Share.

Official List means the Official List of the ASX.

Opening Date means the date on which the Offer opens (currently 7 April 2021, or such later date as may be prescribed by ASIC).

Option means an option to acquire a Share.

Option Holders means those parties holding options to acquire Shares in the Company.

Orocobre means Orocobre Limited A.C.N. 112 589 910 (ASX/TSX Code: ORE).

Pro-Forma means the pro-forma financial statement (as set out in the Investigating Accountant's Report) of the Controlled Entity.

Projects means the resource projects of Lithium Energy from time to time, including but not limited to the Solaroz Lithium Project and the Burke Graphite Project.

Prospectus means this prospectus dated 30 March 2021 in respect of the Offer and the Issue, including any electronic version.

Public Offer means the Shares under the Issue to the extent of the Shortfall under the Strike Priority Offer, being more particularly described in Section 4.5.

Quotation means quotation of the Shares the subject of the Offer on ASX.

Recommendations means the Corporate Governance Principles and Recommendations (4th Edition) published by the ASX Corporate Governance Council.

Record Date means 5:00 pm (Perth time) on 22 March 2021.

Restricted Securities means those Shares prescribed by ASX as being subject to escrow as restricted securities under the Listing Rules, referred to in Section 5.2.

Restriction Agreement means any agreement entered into by a holder of Restricted Securities and the Company pursuant to the Listing Rules and otherwise in accordance with the Constitution, whereby such Shares are not be able to be sold, mortgaged, pledged, assigned or transferred for the period of escrow without the prior approval of ASX.

Restructure Agreements means the LEOPL Restructure Agreement and the LEOPL Restructure Agreement.

Rothsay means Rothsay Auditing.

Securities Incentive Plan or Plan means the Securities Incentive Plan adopted by the Company on 15 March 2021, referred to in Section 16.4.

Share means one fully paid ordinary share in the Company and Shares shall mean more than one Share.

Shareholder means a holder of Shares.

Shareholders of Hananta means Hanaq and Mr Xiaohuan Tang.

Share Registry means Advanced Share Registry.

Shortfall means the difference between the number of Shares offered under this Offer and the total Applications received from Eligible Strike Shareholders (to the extent of their Maximum Entitlements) under the Strike Priority Offer.

18. GLOSSARY

Solaroz Tenements means the eight (8) mineral exploitation concessions located in the Province of Jujuy, Argentina, comprising the Solaroz Lithium Project, currently being processed before the Administrative Mining Court of the Province of Jujuy as referred to in Sections 8.1 and 10.

Solaroz Lithium Project means the proposed mineral exploration, evaluation, assessment and development activity and associated programme of works to commercially exploit the Solaroz Tenements, which are also described in Sections 8.1, 8.2, 8.4 and 10.

Solaroz Owner means Mr Pablo Moncholi, being the registered legal and beneficial owner of the Solaroz Tenements.

Solaroz Purchase Agreement means the 'exploration agreement with purchase option' (dated 11 March 2019) between Hananta and the Solaroz Owner pursuant to which Hananta is entitled to acquire the Solaroz Tenements, referred to in Sections 10 and 15.4.

Solicitor's Tenement Report (Australia) means the report prepared by Squire Patton Boggs contained in Section 11.

SRN means Security Holder Reference Number pertaining to a Shareholding on the issuer-sponsored sub-register.

Strike or SRK means Strike Resources Limited ABN 94 088 488 724 (ASX:SRK).

Strike Priority Offer means a priority entitlement to Eligible Strike Shareholders to apply for Shares under the Offer, being more particularly described in Section 4.4.

Tenements means the Solaroz Tenements, Burke Tenements and any other mineral concessions or tenements that Lithium Energy may hold or secure from time to time.

TGC means Total Graphitic Carbon.

TSX means the Toronto Stock Exchange, a Canadian stock exchanged located in Toronto, Ontario.

TYO means the Tokyo Stock Exchange, a Japanese stock exchange located in Tokyo, Japan.

Underwriting Agreement means the underwriting agreement (dated 30 March 2021) with the Underwriter, referred to in Section 15.8.

Underwriter means Canaccord.

VALMIN Code means the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) prepared by the VALMIN Committee.

19. DIRECTORS' RESPONSIBILITY STATEMENT AND CONSENT

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that:

- (1) any statements made by the Directors in this Prospectus are not misleading or deceptive; and
- (2) in respect of any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and, on that basis, have reasonable grounds to believe that:
 - (a) those persons making the statement or statements were competent to make such statements; and
 - (b) those persons have given their consent to those statements being included in the Prospectus in the form and context in which they appear and have not withdrawn that consent before lodgement of this Prospectus with ASIC.

The issue of this Prospectus has been authorised by each of the Directors in accordance with section 720 of the Corporations Act.

Each of the Directors have consented to the lodgement of this Prospectus with ASIC and have not withdrawn their consents.

This Prospectus has been approved by a unanimous resolution of the Directors of Lithium Energy Limited.

Dated: 30 March 2021

For and on behalf of the **Board of Lithium Energy Limited**,



William Johnson
Executive Chairman



LITHIUM ENERGY LIMITED

A.B.N. 94 647 135 108

(proposed ASX Code : LEL)

REGISTERED OFFICE:

Level 2
31 Ventnor Avenue
West Perth, Western Australia 6005

T | (08) 9214 9737
F | (08) 9214 9701
E | info@lithiumenergy.com.au
W | www.lithiumenergy.com.au

SHARE REGISTRY: Advanced Share Registry

Western Australia – Main Office
110 Stirling Highway
Nedlands, Western Australia 6009
PO Box 1156, Nedlands
Western Australia 6909
Local T | 1300 113 258

T | (08) 9389 8033
F | (08) 6370 4203
E | admin@advancedshare.com.au
W | www.advancedshare.com.au

New South Wales – Branch Office
Suite 8H, 325 Pitt Street
Sydney, New South Wales 2000
PO Box Q1736
Queen Victoria Building NSW 1230

T | (02) 8096 3502

APPLICATION FORM – STRIKE PRIORITY OFFER

LITHIUM ENERGY LIMITED A.C.N. 647 135 108

SHARE REGISTRY ENQUIRIES:
1300 113 258
or (08) 9389 8033 or (02) 8096 3502
Email: admin@advancedshare.com.au

Eligible Strike Shareholder's Entitlement Details under Strike Priority Offer

Sub-Register:	{ }
HIN / SRN:	{ }
Record Date under Strike Priority Offer:	22 March 2021
Strike shareholding as at Record Date:	{ }
Maximum Entitlement to Shares under Strike Priority Offer (see A below):	{ } (minimum of 10,000 Shares)
Application Monies payable on Application for Maximum Entitlement	\$ { } (at \$0.20 per Share)

This is a personalised Application Form for Shares in Lithium Energy Limited under the Strike Priority Offer to Eligible Strike Shareholders (of Strike Resources Limited (ASX:SRK)) on the terms set out in the Prospectus dated 30 March 2021. Further details about the Strike Priority Offer are overleaf and in Section 4 of the Prospectus. Capitalised terms in this form have the meaning given to them in the Prospectus. The Strike Priority Offer is scheduled to open on 7 April 2021 and close at 5:00pm (Perth) on 21 April 2021 (unless extended, closed early or withdrawn). Please read the Prospectus carefully before completing this Application Form.

APPLICATION OPTIONS UNDER STRIKE PRIORITY OFFER:

Option A: Pay Electronically via BPAY® and your Application will be Processed Electronically (Recommended)

Pay your Application Monies via BPAY® in respect of the number of Shares applied for (refer below) - the Share Registry will match your payment (via your personalised/unique BPAY® Reference Number) to your registered holding and Strike Priority Offer entitlement details and process your Application electronically.

Option B: Lodge this Application Form and Pay by Cheque

Enter your details below (please PRINT clearly using pen), attach a Cheque for the Application Monies and return to the Share Registry, in accordance with the instructions overleaf.

1. ENTITLEMENT TO SHARES AND APPLICATION UNDER STRIKE PRIORITY OFFER

A Maximum Entitlement	B Additional Shares Applied For (will be considered under the Public Offer – refer overleaf)	C Total Shares Applied For (You can apply for: Less than A, A or [A + B])	D Application Monies Payable (\$) [C x \$0.20 per Share]
Refer Entitlement Details above			

Applications are for a minimum of 10,000 Shares worth \$2,000 and thereafter, in multiples of 1,000 Shares worth \$200

2. METHOD OF PAYMENT – PAY APPLICATION MONIES VIA BPAY® OR REMIT CHEQUE WITH APPLICATION FORM

A. BPAY® Payment Instructions



Biller Code: { }

Ref No.: { }

You can pay electronically via BPAY® from your Australian bank account (that supports BPAY® transactions). If you choose to pay via BPAY®, you do not need to return this Application Form. Refer overleaf for further details.

OR

B. Cheque Details

Please make Cheques payable to "Lithium Energy Limited – Offer A/C" and crossed "Not Negotiable"

Drawer Name	BSB	Account No.	Cheque No.	Amount of Cheque

3. CONTACT DETAILS

Contact Name	Telephone/Mobile Number(s)

4. EMAIL ADDRESS

--

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible)

5. Declarations

By submitting this Application Form with the Application Monies, I/we declare that I/we:

- | | |
|--|---|
| (a) have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full; | (h) authorise the Company, officers and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated; |
| (b) have completed this Application Form in accordance with the instructions on the form and in the Prospectus; | (i) agree to be bound by the Constitution of the Company; |
| (c) declare that the Application Form and all details and statements made by me/us are complete and accurate; | (j) acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital; |
| (d) agree and consent to the Company collecting, holding, using and disclosing my/our personal information as contemplated under the Prospectus; | (k) acknowledge that the information contained in the Prospectus is not investment advice or a recommendation that Shares are suitable to me/us, given my/our investment objectives, financial situation or particular needs; and |
| (e) acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it; | (l) represent and warrant that I/we have received this Prospectus in Australia or New Zealand and am/are not acting on behalf of a person resident outside of Australia or New Zealand. |
| (f) apply for the number of Shares that I/we apply for under this Application Form; | |
| (g) am/are over 18 years of age; | |

IMPORTANT INFORMATION

This Application Form relates to the Strike Priority Offer pursuant to the Company's Prospectus dated 30 March 2021. The Company recommends that you read the Prospectus in its entirety and seek professional advice where necessary from your stockbroker, lawyer, accountant or independent financial adviser prior to making any decision to apply for Shares. The Shares the subject of this Prospectus should be considered highly speculative. No Shares may be issued on the basis of the Prospectus later than 13 months after the date of the Prospectus. Applications for Shares under the Strike Priority Offer may only be made from this personalised Application Form, which is accessed (with the accompanying Prospectus) by logging into the Share Registry website using your HIN or SRN: <https://www.advancedshare.com.au/Investor-Login>. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus.

STRIKE PRIORITY OFFER

The Company is offering Eligible Strike Shareholders (holding Strike shares as at the Record Date of 5.00 pm (Perth time) on 22 March 2021) the opportunity to become Shareholders under the Strike Priority Offer - Eligible Strike Shareholders have a priority entitlement to apply for Shares under the Offer based on their pro-rata shareholding in Strike as at the Record Date. This Strike Priority Offer will operate as follows (and otherwise as set out in Section 4 of the Prospectus):

- (a) Each Eligible Strike Shareholder is entitled to apply for and be issued the Minimum Application (of 10,000 Shares to the value of \$2,000).
- (b) Subject to the scale-back of Applications described in (d) below, each Eligible Strike Shareholder's maximum entitlement under the Strike Priority Offer is calculated pro-rata to their shareholding in Strike as at the Record Date (Maximum Entitlement). If your pro-rata entitlement is below the Minimum Application, your Maximum Entitlement will be the Minimum Application.
- (c) Eligible Strike Shareholders may apply for Shares in excess of their Maximum Entitlement but the excess Shares applied for will be considered as an Application under the Public Offer and subject to the terms of the same outlined in Section 4.5 of the Prospectus – there is no guarantee that Eligible Strike Shareholders applying for Shares in excess of their Maximum Entitlement will be issued such excess Shares under the Public Offer. Eligible Strike Shareholders are not required to submit a separate Application Form under the Public Offer.
- (d) If Applications received from Eligible Strike Shareholders exceed the Issue accepted by the Company at the Closing Date, Applications received in excess of 10,000 Shares (\$2,000) will be scaled-back on a pro-rata basis (relative to the number of Strike shares held as at the Record Date).

PUBLIC OFFER

Any Shortfall in Applications lodged by Eligible Strike Shareholders (in aggregate) under the Strike Priority Offer will form the number of Shares available under the Public Offer. The Company reserves the right to reject any Application (in whole or in part) or to allocate any investor fewer Shares than the number applied for, under the Public Offer. The Company also reserves the right to reject or aggregate multiple applications in determining final allocations. If an Application is not accepted, or is accepted in part only, the relevant part of the Application Monies will be refunded. Interest will not be paid on Application Monies refunded.

INSTRUCTIONS TO COMPLETE APPLICATION FORM (under Option B)

Your personalised Eligible Strike Shareholder's Entitlement details under Strike Priority Offer are set out at the top of the Application Form. Please complete all relevant parts of the Application Form using **BLOCK LETTERS**.

- (1) **Entitlement to Shares and Application under Strike Priority Offer:** Enter the number of Shares you wish to apply for and the amount of the Application Monies payable. Applications must be for a minimum of 10,000 Shares (worth \$2,000) and thereafter in multiples of 1,000 Shares (worth \$200) (save for Applications received in respect of an Eligible Strike Shareholder's Maximum Entitlement):
 - (A) **Maximum Entitlement:** This is based on your pro-rata shareholding in Strike as at the Record Date (rounded to the nearest 1,000 Shares), with a minimum based on the Minimum Application (of 10,000 Shares to the value of \$2,000).
 - (B) **Additional Shares Applied For:** Enter the number of additional Shares you wish to apply for above your Maximum Entitlement.
 - (C) **Total Shares Applied For:** Enter either a lesser number of Shares than your Maximum Entitlement (subject to the Minimum Application and being in multiples of 1,000 Shares), your Maximum Entitlement (in A) or your Maximum Entitlement plus any additional Shares you wish to apply (A + B). Any additional Shares applied will be considered under the Public Offer. You do not need to make a separate Application under the Public Offer.
 - (D) **Application Monies Payable:** Enter the total amount of Application Monies payable – calculated by multiplying the total number of Shares applied for (in C) by \$0.20 (the Offer Price per Share).
- (2) **Method of Payment:** You may remit the Application Monies payable (in (1)(D) above) via BPAY® under Option A or via a cheque under Option B.
 - (A) **BPAY® Payment Instructions:** Your personalised/unique BPAY® Reference Number will allow the Share Registry to match your BPAY® payment with your registered Strike shareholding and Strike Priority Offer entitlement details and process your Application electronically. You are deemed to have applied for such whole number of Shares which is covered by the Application Monies remitted. If you remit Application Monies in excess of your Maximum Entitlement, the excess will be deemed to be in respect of an Application made under the Public Offer. It is your responsibility to ensure that you remit the correct amount (reflecting your intended Shares applied for) and that BPAY® payment is received by the Share Registry by no later than 5:00 pm (Perth time) on the Closing Date.
 - (B) **Cheque Details:** Payments for Applications made through the submission of this Application Form can only be made by cheque. Do not forward cash with this Application Form as it will not be accepted. Cheque or bank cheques must be drawn on an Australian bank and expressed in Australian currency. Sufficient cleared funds should be held in your account as your Application will be rejected if your cheque is dishonoured. Cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. Enter the cheque details of cheque(s) submitted in payment of the Application Monies.
- (3) **Contact Details:** Enter a contact name and telephone/mobile number(s) should we need to contact you about your Application.
- (4) **Email Address:** Enter your email address as an alternative form of contact. By providing your email address, you are also electing to receive all communications despatched by the Company electronically (where legally permissible). You can change your communication preferences at any time via the Share Registry's Investor Portal: <https://www.advancedshare.com.au/Investor-Login>
- (5) **Declaration:** By completing and submitting an Application Form, you will be taken to have made to the Company the Declarations contained therein. If you choose to pay your Application Monies via BPAY®, you are deemed to have submitted your Application online and you will be taken to have made the declarations on the electronic copy of the Application Form.

OTHER MATTERS

There is no requirement to sign the Application Form. No notice of acceptance of the Application will be provided by the Company prior to the allotment of Shares. An Application will be deemed to have been accepted by the Company upon allotment of the Shares. If the Application Form is not completed correctly, or if the accompanying payment of the Application Monies is for the wrong amount, it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

LODGEMENT OF APPLICATIONS

The Strike Priority Offer opens on 7 April 2021 (Opening Date) and is expected to close at 5.00pm (Perth time) on 21 April 2021 (the Offer Period). The Company reserves the right to extend the Offer Period or close the Offer early without notice. Applicants wishing to apply for Shares under the Strike Priority Offer are therefore encouraged to submit their Applications as soon as possible after the Opening Date.

Completed Application Forms and accompanying Cheques for the Application Monies must be submitted to the Share Registry:



By Mail

Advanced Share Registry
PO Box 1156
Nedlands WA 6909



By Hand Delivery

Advanced Share Registry
110 Stirling Highway
Nedlands, Western Australia

or

Suite 8H, 325 Pitt Street
Sydney, New South Wales

Privacy Statement: The Share Registry's Privacy Policy also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company - refer: <https://www.advancedshare.com.au/About-Us/Privacy-Policy>. Please also refer to Section 17.3 (Acknowledgement and Privacy) of the Prospectus.

APPLICATION FORM – PUBLIC OFFER

LITHIUM ENERGY LIMITED A.C.N. 647 135 108

SHARE REGISTRY ENQUIRIES: 1300 113 258
or (08) 9389 8033 or (02) 8096 3502
or Email: admin@advancedshare.com.au

This is an Application Form for Shares in Lithium Energy Limited under the Public Offer on the terms set out in the Prospectus dated 30 March 2021. Capitalised terms in this form have the meaning given to them in the Prospectus. The Public Offer is scheduled to open on 7 April 2021 and close at 5:00pm (Perth) on 29 April 2021 (unless extended, closed early or withdrawn). Please read the Prospectus carefully before completing this Application Form.

APPLICATION OPTIONS:

Option A: Apply Online and Pay Electronically (Recommended)

Apply online at <https://www.advancedshare.com.au/IPO-Offers> - complete an online Application and pay via BPAY®

Option B: Lodge this Application Form and Pay by Cheque

Enter your details below (please PRINT clearly using pen), attach a Cheque for the Application Monies and return to Share Registry, in accordance with the instructions overleaf.

1. Number of Shares applied for

2. Application Monies payable (Multiple Box 1 by \$0.20 per Share)

Applications must be for a minimum of 10,000 Shares worth \$2,000 and thereafter, in multiples of 1,000 Shares worth \$200

3. Applicant Name

Joint Applicant #2 or <Designated Account>

Joint Applicant #3 or <Designated Account>

4. Postal Address

5. Contact Details

Contact Name

Telephone/Mobile Number(s)

6. Email Address

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible)

7. Holder Identification Number (HIN) (for CHESS Holders only)

8. TFN / ABN / Exemption code

Applicant #1

Joint Applicant #2

Joint Applicant #3

9. Cheque Details

Drawer Name

Please make Cheques payable to "Lithium Energy Limited – Offer A/C" and crossed "Not Negotiable"

BSB

Account No.

Cheque No.

Amount of cheque

10. Declarations

By submitting this Application Form with the Application Monies, I/we declare that I/we:

- | | |
|---|---|
| (a) have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full; | (h) acknowledge that my/our Application may be rejected by the Company in its absolute discretion; |
| (b) have completed this Application Form in accordance with the instructions on the form and in the Prospectus; | (i) authorise the Company, officers and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated; |
| (c) declare that the Application Form and all details and statements made by me/us are complete and accurate; | (j) am/are over 18 years of age; |
| (d) agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus; | (k) agree to be bound by the Constitution of the Company; |
| (e) (where I/we have been provided information about another individual) warrant that I/we have obtained that individual's consent to the transfer of their information to the Company; | (l) acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital; |
| (f) acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it; | (m) acknowledge that the information contained in the Prospectus is not investment advice or a recommendation that Shares are suitable to me/us, given my/our investment objectives, financial situation or particular needs; and |
| (g) apply for the number of Shares that I/we apply for under this Application Form; | (n) represent and warrant that I/we have received this Prospectus in Australia or New Zealand and am/are not acting on behalf of a person resident outside of Australia or New Zealand. |

IMPORTANT INFORMATION

This Application Form relates to the Public Offer pursuant to the Company's Prospectus dated 30 March 2021. The Company recommends that you read the Prospectus in its entirety and seek professional advice where necessary from your stockbroker, lawyer, accountant or independent financial adviser prior to making any decision to apply for Shares. The Shares the subject of this Prospectus should be considered highly speculative. No Shares may be issued on the basis of the Prospectus later than 13 months after the date of the Prospectus. Applications for Shares under the Public Offer may only be made on either a printed copy of the Application Form attached to, or accompanying the Prospectus, or via the electronic application process available from the Share Registry website at: www.advancedshare.com.au/IPO-Offers. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of the Prospectus or the complete and unaltered electronic version of the Prospectus.

PUBLIC OFFER

The Company reserves the right to reject any Application (in whole or in part) or to allocate any investor fewer Shares than the number applied for, under the Public Offer. The Company also reserves the right to reject or aggregate multiple applications in determining final allocations. If an Application is not accepted, or is accepted in part only, the relevant part of the Application Monies will be refunded. Interest will not be paid on Application Monies refunded.

INSTRUCTIONS TO COMPLETE APPLICATION FORM

Please complete all relevant parts of the Application Form using **BLOCK LETTERS**.

- (1) **Number of Shares:** Enter the number of Shares you wish to apply for. Applications must be for a minimum of 10,000 Shares (worth \$2,000) and thereafter in multiples of 1,000 Shares (worth \$200).
- (2) **Application Monies:** Enter the total amount of Application Monies payable – calculated by multiplying the number of Shares applied for by \$0.20 (the Offer Price per Share).
- (3) **Applicant Name:** Only legal entities can hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation. Applications using the wrong form of name may be rejected. Correct forms of registrable title are as follows:

Type Of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual <i>Use given names, not initials</i>	John Richard Sample	J R Sample
Joint Holdings <i>Use complete given names</i>	John Sample and Ann Sample	John and Anne Sample
Company <i>Use Company title, not abbreviations</i>	ABC Pty Ltd	ABC P/L ABC Co
Superannuation Funds <i>Use of name of trustee of fund, not the name of the fund</i>	John Sample and Ann Sample <Sample Super Fund A/C> ABC Pty Ltd <Sample Family Super Fund>	John and Anne Sample Superannuation Fund
Trusts <i>Use name of trustee(s), not the name of the trust</i>	John Sample <Sample Family A/C> ABC Pty Ltd <Sample Family Trust>	Sample Family Trust
Partnerships <i>Use name of partner(s), not the name of the partnership</i>	John Sample and Richard Sample <Sample and Son A/C>	John Sample and Son
Clubs/Incorporated Bodies <i>Use name of office bearer(s), not the name of the club etc.</i>	John Sample <ACE Association A/C>	ACE Association
Deceased Estates <i>Use name of executor(s)</i>	John Sample <Estate of Ann Sample> John Sample <Est of Ann Sample A/C>	Estate of late Ann Sample Ann Sample (Deceased)

- (4) **Postal Address:** Enter the postal address for all communications from the Company. Only one address can be recorded.
- (5) **Contact Details:** Enter a contact name and telephone/mobile number(s) should we need to contact you about your Application.
- (6) **Email Address:** Enter your email address as an alternative form of contact. By providing your email address, you are also electing to receive all communications despatched by the Company electronically (where legally permissible). You can change your communication preferences at any time via the Share Registry's Investor Portal: <https://www.advancedshare.com.au/Investor-Login>
- (7) **HIN (for CHES Holders):** Enter your CHES HIN if you are sponsored by a stockbroker and wish to hold Shares allotted to you under this Application on the CHES subregister. Otherwise, leave the box blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" (SRN) will be allocated to you.
- (8) **TFN / ABN / Exemption Code:** Enter your Tax File Number (TFN), Australian Business Number (ABN) or Exemption code to be registered against your Shareholding. Collection of TFN/ABN data is authorised by taxation laws but quotation is not compulsory and it will not affect your Application. However, in cases where no TFN/ABN is quoted, the Company must deduct tax from any income distributions payable (to the extent that they are not franked) at the top personal marginal income tax rate plus the Medicare levy.
- (9) **Payment Details:** Payments for Applications made through this Application Form can only be made by cheque. Payment can be made by BPAY but only by making an online Application (refer Option A on the front of the Application Form). Do not forward cash with this Application Form as it will not be accepted. Cheque or bank cheques must be drawn on an Australian bank and expressed in Australian currency. Sufficient cleared funds should be held in your account as your Application will be rejected if your cheque is dishonoured. Cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. Enter the cheque details of cheque(s) submitted in payment of the Application Monies.
- (10) **Declaration:** By completing and submitting an Application Form, you will be taken to have made to the Company the Declarations contained therein.

OTHER MATTERS

There is no requirement to sign the Application Form. No notice of acceptance of the Application will be provided by the Company prior to the allotment of Shares. An Application will be deemed to have been accepted by the Company upon allotment of the Shares. If the Application Form is not completed correctly, or if the accompanying payment of the Application Monies is for the wrong amount, it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

LODGEMENT OF APPLICATIONS

The Public Offer opens on 7 April 2021 (Opening Date) and is expected to close at 5.00pm (Perth time) on 29 April 2021 (the Offer Period). The Company reserves the right to extend the Offer Period or close the Offer early without notice. Applicants wishing to apply for Shares under the Public Offer are therefore encouraged to submit their Applications as soon as possible after the Opening Date.

Completed Application Forms and accompanying Cheques for the Application Monies must be submitted to the Share Registry:



By Mail
Advanced Share Registry
PO Box 1156
Nedlands WA 6909



By Hand Delivery
Advanced Share Registry
110 Stirling Highway
Nedlands
Western Australia

or
Suite 8H, 325 Pitt Street
Sydney
New South Wales

Privacy Statement: The Share Registry's Privacy Policy also sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company - refer: <https://www.advancedshare.com.au/About-Us/Privacy-Policy>. Please also refer to Section 17.3 (Acknowledgement and Privacy) of the Prospectus.