

MARKET ANNOUNCEMENT

Lithium Energy Receives First EIA Approval for Exploration to Commence at Solaroz Lithium Project

KEY HIGHLIGHTS

- Important milestone achieved with EIA Approval received for the commencement of exploration at the Solaroz Lithium Project
- Solaroz is located in the highly prospective Lithium Triangle in Argentina and is directly adjacent to or principally surrounded by lithium majors Allkem Limited (ASX/TSX:AKE) and Lithium Americas Corporation (TSX/NYSE:LAC)
- Lithium Energy has already engaged with geophysics and drilling contractors to prepare for exploration works - first stage mapping and geophysics programme on the *Payo* tenement scheduled to commence shortly

William Johnson, Executive Chairman:

The receipt of the first of the Government approvals to start exploration at Solaroz is an important milestone for Lithium Energy. This is a positive endorsement by the Argentinian Government Authorities of the Solaroz Lithium Project and I look forward to mobilising to site and commencing work shortly on this highly prospective project.

There is no better address to be exploring for lithium than the prolific Lithium Triangle where a number of world class lithium brine projects have been discovered. Our land position could not be better located being either directly adjacent to or principally surrounded by lithium majors ASX/TSX-listed Allkem Limited (formerly Orocobre) and NYSE/TSX-listed Lithium Americas Corporation.

There has been significant M&A activity in the area showing the global interest in the district and lithium brines in particular, and we are incredibly excited to kick off our exploration efforts at Solaroz.

Lithium Energy Limited (ASX:LEL) (**Lithium Energy**) is pleased to report that it has received Environmental Impact Assessment (**EIA**) approval from the local Jujuy Provincial Government Mining Authority to commence exploration works at its Solaroz Lithium Brine Project in Argentina (**Solaroz**).

Solaroz is located within South America's 'Lithium Triangle' in North-West Argentina in the Salar de Olaroz basin (**Olaroz Salar**) and is directly adjacent to or principally surrounded by two world class lithium brine projects, being the current production assets of Allkem Limited (ASX/TSX:AKE) (formerly Orocobre Limited) and the advanced lithium brine development project held by Lithium Americas Corporation (TSX/NYSE:LAC).



Approval has been received for the Payo tenement, which is located ~7kms from the Lithium Processing Facility of Allkem. Payo is the first of 8 mineral tenements (12,000 hectares in total) located in the Olaroz Salar held by Lithium Energy. With the receipt of this first EIA approval, Lithium Energy expects approvals for the remaining tenements to be progressively received within Q1 2022.¹

In anticipation of the exploration approvals being granted, Lithium Energy has already engaged with local geophysics and drilling contractors to prepare for the commencement of exploration works. The Company will now schedule the first stage of exploration works on the *Payo* tenement and will provide further updates once these activities commence.

Lithium Energy notes that the long-term fundamentals for Lithium demand remain strong, driven primarily by continued growth in the electric vehicle and energy storage industries.

Exploration Approval – Payo Tenement

Lithium Energy has received EIA approval from Provincial Jujuy Mining Department to commence exploration works on the *Payo* tenement (990 hectares), which is located at the south-eastern corner of the Olaroz Salar and ~7kms from the Allkem Lithium Processing Facility (refer Figure 1).

The Government approval allows Lithium Energy to commence a programme of mapping and geophysics over the *Payo* tenement, which aims to significantly contribute to the Company's understanding of the underlying hydrogeological and geochemical characteristics of the brine rich aquifer that comprises the Olaroz Salar underneath the Solaroz tenements. Lithium Energy proposes to commence exploration shortly, after the completion/submission of an initial baseline environmental monitoring programme/plan.

Exploration Approval – Remaining Tenements

In relation to the EIA approval for exploration works (including drilling) to commence at the remaining Solaroz tenements, the further community engagement required by the Jujuy Mining Director is currently progressing positively.¹

Lithium Energy considers that the approval now received for exploration works to commence at the *Payo* tenement confirms the support of the local Jujuy Government for the advancement of the Solaroz Project. With this support and the recent positive progression with community engagement, Lithium Energy expects that the required EIA approvals for these remaining tenements will follow in Q1 2022.¹

Exploration Work Planned to Validate Exploration Target

Lithium Energy proposes to test the proposition that the aquifer which supplies the lithium-rich brine being extracted by Allkem extends 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.

¹ Refer also LEL's December 2021 Quarterly Report released on ASX on 1 February 2022 and LEL ASX Announcement dated 20 December 2021: Solaroz Lithium Project – Exploration Update

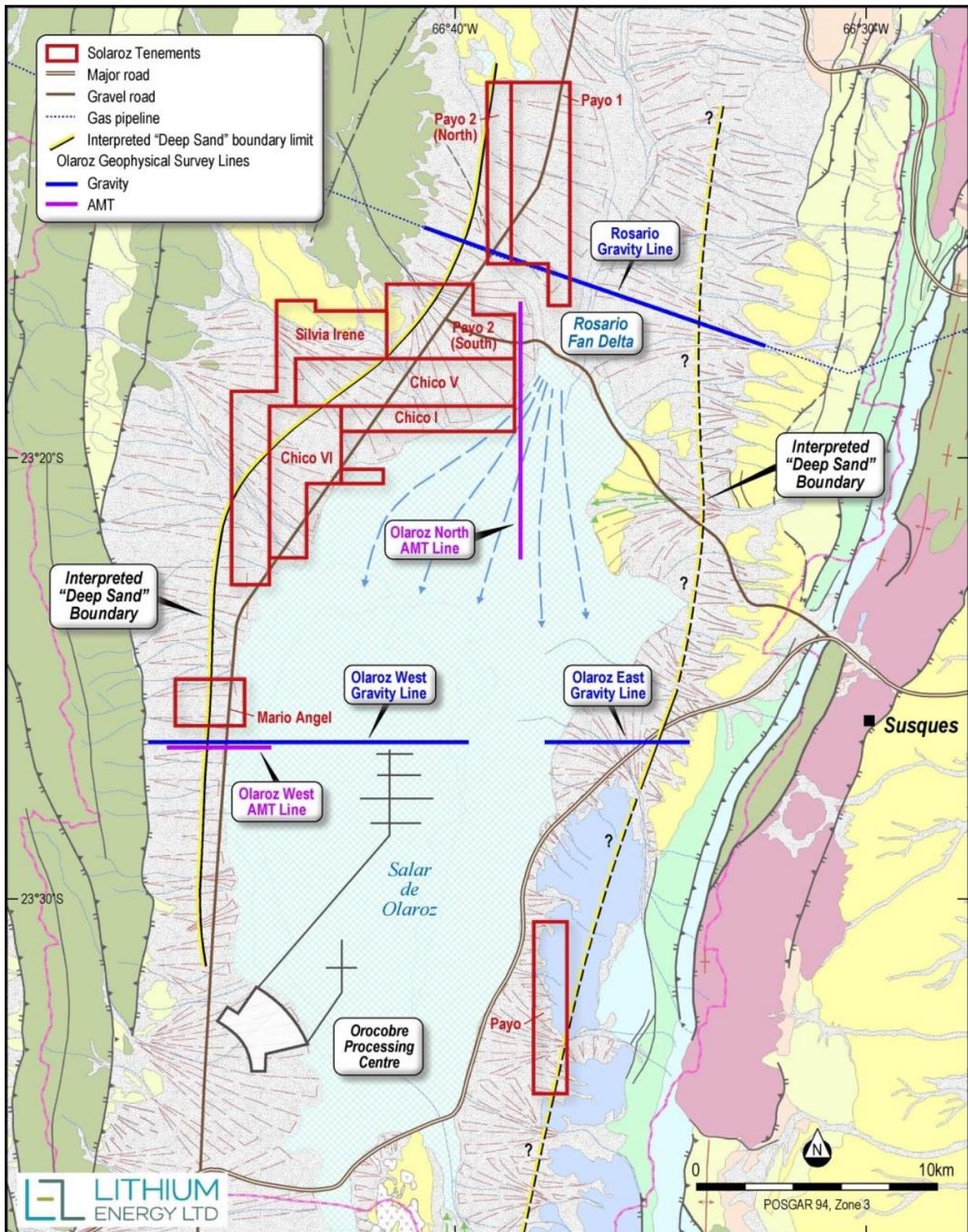


Figure 1: Geology of the Olaroz Salar with Location of the Solaroz Tenements and Location of Geophysical Surveys undertaken by Allkem Limited (formerly Orocobre Limited)²

2 Source: Salfity Geological Consultants - www.salfitygeologicalconsultant.com

Solaroz Exploration Target

Lithium Energy has established a conceptual Exploration Target for the Solaroz Project of³:

1.5 to 8.7 million tonnes (Mt) of contained Lithium Carbonate Equivalent (LCE)
based on a range of lithium concentrations of between circa **500 mg/L Lithium (Li)** and **700 mg/L Li**

Brine Area (km ²)	SOLAROZ EXPLORATION TARGET					
	Thickness of Deep Sand Unit (m)	Lithium (mg/L)	Average Specific Yield (Sy) (%)	Brine Volume (million m ³)	Contained Lithium (Mt)	Contained LCE (Mt)
Upper Assumption Estimate						
78	150	700	20	2334	1.6	8.70
Lower Assumption Estimate						
78	75	500	10	584	0.3	1.5

Notes:

- (1) The Exploration Target's potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.
- (2) Brine Volume ranges are approximations derived from an interpretation of open file geological and geophysical data.
- (3) Porosity are approximations based upon open file information contained within Houston et al (13 May 2011), Orocobre (23 October 2014) and Lithium Americas (30 September 2020).
- (4) Lithium grade ranges have been approximated from a review of open file information (Houston et al (13 May 2011), Orocobre (23 October 2014)).
- (5) Percentage values have been rounded (to the nearest 1,000 unit) in relevant calculations.
- (6) A conversion factor of 5.323 has been adopted to convert elemental Li to Li₂CO₃ ((LCE).
- (7) For further details in relation to the Exploration Target, refer to Lithium Energy's ASX Announcement dated 8 June 2021: Substantial Lithium Exploration Target Identified at the Solaroz Project in Argentina.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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ABOUT LITHIUM ENERGY LIMITED (ASX:LEL)

Lithium Energy Limited is an ASX listed battery minerals company which is developing its flagship Solaroz Lithium Brine Project in Argentina and the Burke Graphite Project in Queensland. The Solaroz Lithium Project (LEL:90%) comprises 12,000 hectares of highly prospective lithium mineral tenements located strategically 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 being developed into production by Allkem Limited (ASX/TSX:AKE) (formerly Orocobre Limited) and Lithium Americas Corporation (TSX/NYSE:LAC). The Burke Graphite Project (LEL:100%) contains a high grade graphite deposit and presents an opportunity to participate in the anticipated growth in demand for graphite and graphite related products. LEL was spun out of Strike Resources Limited (ASX:SRK) via a \$9 million IPO; Strike remains a major (43%) shareholder of the Company.

3 Refer LEL ASX Announcement dated 8 June 2021: Substantial Lithium Exploration Target Identified at the Solaroz Project in Argentina

JORC CODE COMPETENT PERSON'S STATEMENT

The information in this document that relates to Exploration Targets and Exploration Results in relation to the Solaroz Lithium Project is extracted from the following ASX market announcements made by Lithium Energy dated:

- 8 June 2021 entitled "Substantial Lithium Exploration Target Identified at the Solaroz Project in Argentina"
- 26 May 2021 entitled "Geophysical Data Supports Highly Encouraging Exploration Potential for Solaroz"

The information in the original announcements is based on, and fairly represents, information and supporting documentation prepared and compiled by Mr Peter Smith (BSc (Geophysics) (Sydney) AIG ASEG). Mr Smith is a Member of the Australian Institute of Geoscientists (AIG) and a Director of the Company. 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**). 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).

FORWARD LOOKING STATEMENTS

This document contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include without limitation, expectations regarding future performance, costs, production levels or rates, mineral reserves and resources, the financial position of Lithium Energy, industry growth and other trend projections. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgements of management regarding future events and results. The purpose of forward-looking information is to provide the audience with information about management's expectations and plans. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Lithium Energy and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, changes in market conditions, future prices of minerals/commodities, the actual results of current production, development and/or exploration activities, changes in project parameters as plans continue to be refined, variations in grade or recovery rates, plant and/or equipment failure and the possibility of cost overruns. Forward-looking information and statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Lithium Energy believes that the assumptions and expectations reflected in such forward-looking statements and information are reasonable. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Lithium Energy does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.