

MARKET ANNOUNCEMENT

Drilling Continues Towards Target Depth in Hole 1 at Solaroz Lithium Brine Project

Lithium Energy Limited (ASX:LEL) (**Lithium Energy** or **Company**) is pleased to confirm that drilling has resumed at the first drill hole of Lithium Energy's flagship Solaroz Lithium Brine Project (**Solaroz**), after clearing through interlayered carbonate/sandstone layers encountered at approximately 177 metres depth. Packing sampling is currently being undertaken at a depth of approximately 215 metres before diamond HQ core drilling continues towards the target depth of approximately 300 metres.

Located in Argentina in the heart of South America's world renowned Lithium Triangle, Solaroz is located directly adjacent to or principally surrounded by lithium majors Allkem Limited (ASX/TSX:AKE) and Lithium Americas Corporation (TSX/NYSE:LAC) on the Salar de Olaroz basin (**Olaroz Salar**) (refer Figure 1).

As reported on 5 October 2022¹, drilling at the first diamond drill hole (borehole SOZDD001) within the Mario Angel concession at Solaroz encountered approximately 105 metres of highly conductive brines between approximately 65 to 170 metres (contained mostly in sandstones and fine gravels, which lends themselves to positive porosity and permeability levels for future brine extraction) and was suspended at a depth of approximately 177 metres, after engaging interlayered carbonate/sandstone.

The geophysical work to date together with lithology determined through current drilling indicates that the initial approximately 105 metres of conductive brines form an 'upper aquifer' with a further significant zone of conductive brines expected to extend in a 'lower aquifer' from approximately 177 metres to target drill depth of approximately 300 metres. If the lithology remains consistent as expected, this will present as a further outstanding brine intersection.

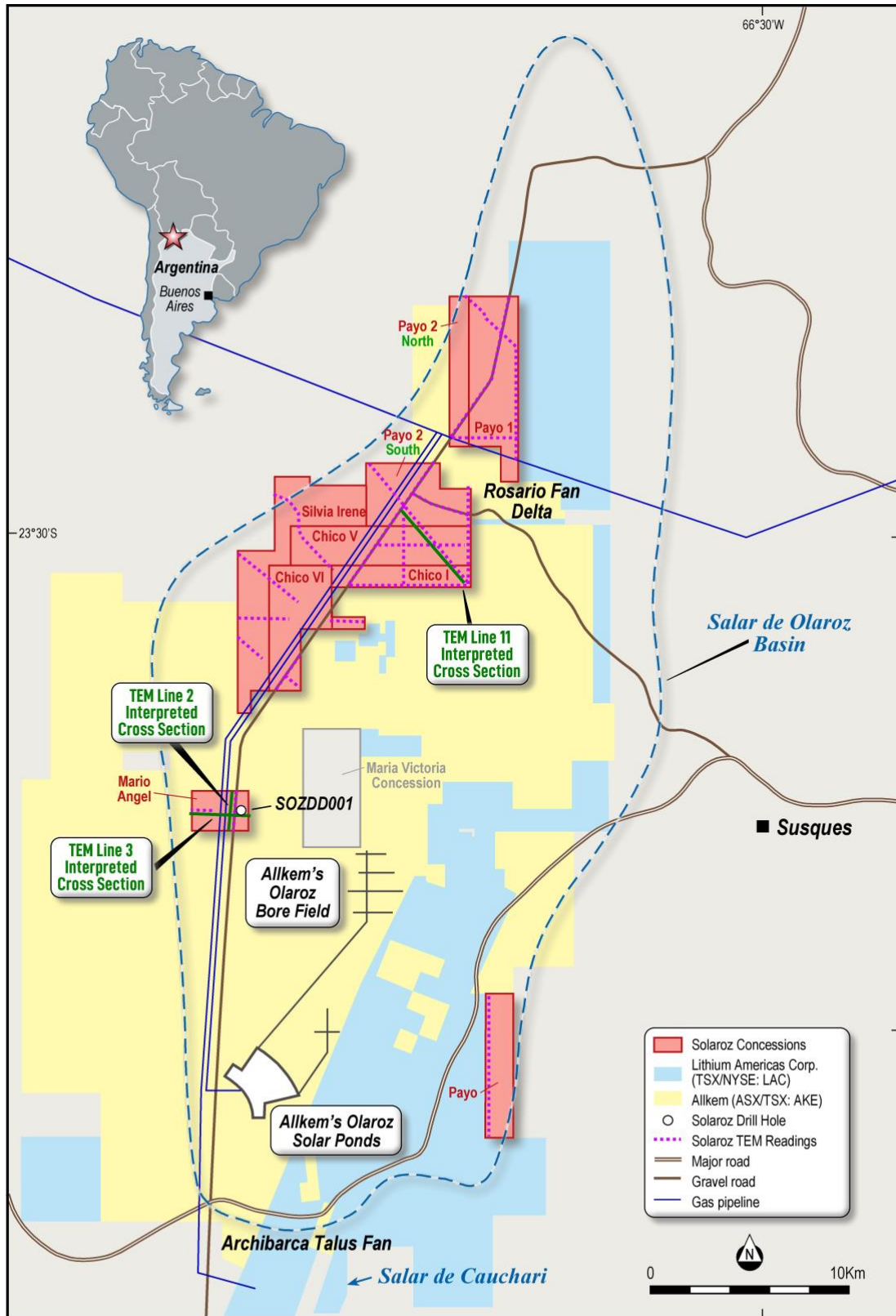
Subsequent to the completion of packer sampling of this upper aquifer, drilling has resumed through the expected lower aquifer with a target hole depth of approximately 300 metres.

This first hole, of a planned 10 hole, 5,000 metre initial drilling programme, is located approximately 10kms from Allkem's Olaroz Lithium Facility production bore field and less than ~3km from the Maria Victoria concession which was recently acquired by Allkem as a 'strategic lithium tenement' (see Figure 1 for location).²

1 Refer LEL ASX Announcement dated 5 October 2022: Significant Intersection of Highly Conductive Brines in Maiden Drillhole at Solaroz Lithium Brine Project

2 Refer Allkem ASX Announcement dated 15 August 2022: Allkem to acquire strategic tenement in exchange for Borax





Solaroz Lithium Project, Argentina
Solaroz Concessions Location Plan

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*Figure 1: Maiden Drillhole SOZDD001 Location and TEM Survey Lines at Solaroz
 (Solaroz Concession Locations Adjacent to Allkem and Lithium Americas Concessions in Olaroz Salar)*

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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 concessions 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 concessions being developed into production by Allkem Limited (ASX/TSX:AKE) 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.

JORC CODE COMPETENT PERSON'S STATEMENTS

The information in this document that relates to Exploration Results in relation to the Solaroz Lithium Project are based on, and fairly represents, information and supporting documentation prepared by Mr Peter Smith, BSc (Geophysics) (Sydney) AIG ASEG. Mr Smith is a Member of the Australian Institute of Geoscientists (**AIG**) and an Executive 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**). Mr Smith consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

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

- 5 October 2022 entitled "Significant Intersection of Highly Conductive Brines in Maiden Drillhole at Solaroz Lithium Brine Project"
- 18 August 2022 entitled "Highly Encouraging Geophysics Paves Way for Commencement of Drill Testing of Brines at Solaroz"
- 9 May 2022 entitled "Geophysics Expanded Across all Concessions to Refine Drill Targets at Solaroz Lithium Project"
- 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 are 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 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 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).