QUARTERLY ACTIVITIES REPORT – 30 September 2022

COMPANY DETAILS

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SECURITIES ON ISSUE

95,010,000 shares comprising:
- 60,150,000 listed shares
- 34,860,000 unlisted shares (escrowed to 19 May 2023)

35,850,000 unlisted options comprising:
- 10,000,000 Executive Options ($0.30, 18 March 2024) (escrowed to 19 May 2023)
- 4,000,000 Broker Options ($0.30, 4 May 2024) (escrowed to 19 May 2023)
- 3,500,000 Executive Options ($1.39, 29 November 2024)
- 100,000 SIP Options ($1.595, 15 Feb 2025)
- 750,000 Broker Options ($1.50, 20 September 2025)
- 17,500,000 Executive Options ($1.06, 5 October 2025)

BOARD OF DIRECTORS

William Johnson	(Executive Chairman)
Farooq Khan	(Executive Director)
Peter Smith	(Executive Director)

COMPANY SECRETARY
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William Johnson
Executive Chairman
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1 November 2022

HIGHLIGHTS

- $15 million capital raising (before costs) completed in September 2022 via the issue of 15,000,000 shares at an issue price of $1.00 per share.

Solaroz Lithium Project (Argentina)

- The first hole (SOZDD001) of the maiden 10 hole, 5,000 metre drilling programme at Solaroz has confirmed a major new lithium discovery, with assay results from packer sampling of conductive brines returning significant lithium concentrations of up to 555 mg/L.
- Significant concentrations of Lithium-bearing brines now encountered in both the upper (~55m – 230m) and lower aquifers (from ~265m to at least 325m) with the lower aquifer yet to be fully tested (as drilling is on-going from current depth of ~335m).
- Brines encountered are contained mostly in sandstones, which are considered favourable (due to their porosity and permeability) for potential future brine extraction
- Generally increasing Lithium concentration, conductivity and density at depth indicates a hydraulically linked system with heavier brines (with higher concentrations of lithium) settling to the bottom of aquifer.
- Core samples from SOZDD001 to be sent to US laboratory for centrifuge brine extraction, chemical analysis and porosity and specific yield testwork, which are necessary for the delineation of a maiden JORC Mineral Resource.
- Second drill rig has been secured for mobilisation in November 2022 to accelerate completion of the drilling programme.
- Flagship Solaroz 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, directly adjacent to or principally surrounded by world class lithium projects in production/development held by Allkem Limited (ASX/TSX:AKE) and Lithium Americas Corporation (TSX/NYSE:LAC).

Burke Graphite Project (Queensland, Australia)

- An extensive drilling programme will commence during the current quarter at the Burke Tenement comprising a combination of RC, diamond core and geotechnical holes (totalling ~2,500m across ~18 holes), with the objective to upgrade part of the JORC Inferred Mineral Resource to a higher standard JORC Indicated Mineral Resource category, to facilitate the completion of studies on establishing a Purified Spherical Graphite (PSG) Anode manufacturing facility.
- Drilling is also being planned for the Corella Tenement with the objective to test the extent of graphite mineralisation identified through previously conducted sampling and EM survey - ~2,500 metres of drilling with metallurgical sampling is planned.
- The Burke Project (LEL:100%) is located in North Central Queensland and contains one of the highest grade graphite deposits globally (with a JORC Inferred Mineral Resource of **6.3Mt @ 16.0% TGC** for 1Mt of contained graphite, which includes higher grade material of **2.3Mt @ 20.6% TGC** for 0.464Mt of contained graphite).

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.

PROJECTS

SOLAROZ LITHIUM BRINE PROJECT (ARGENTINA) (90%)

Maiden Drillhole Encounters Significant Lithium Brines

Initial assay results confirm significant levels of Lithium brine concentrations **up to 555 mg/l** encountered in the first diamond drill hole (borehole SOZDD001) within the Mario Angel concession at the Company's flagship Solaroz Lithium Brine Project, located in Argentina (refer Figure 2).

Drilling has extended to a current depth of ~335 metres and penetrated the primary target "Deep Sandstone" lower aquifer, with drilling yet to close out the basement of the lower aquifer.

Significant levels of Lithium brine concentrations (hosted in porous sandstones) have been encountered in the upper and lower (deep sandstone) aquifer, as follows:

- Up to 555 mg/l Lithium sampled in the upper aquifer, at between ~55 to 230 metres depth; and
- Up to 517 mg/l Lithium sampled in the lower aquifer, from ~265 to at least ~325 metres depth.

These lithium rich brines are contained mostly in sandstones and fine gravels, which have porosity and permeability levels that are typically favourable for brine extraction.

The increase in Lithium concentration, conductivity and density generally at depth indicates a hydraulically linked system with heavier brines (with higher concentrations of lithium) settling to the bottom of the aquifer.

The low Mg/Li ratios are positive in relation to future potential processing options.

Furthermore, measured flow test rates of up to approximately 17 litres/minute through a restricted hose are a positive indicator for potential future brine extraction.

Core logging (refer Figure 1) has confirmed:

- a total ~175 metres of sandstones and fine gravels between ~55 to 230 metres in an upper aquifer, with the majority of the units being uniform lithium brine hosting sandstone units, with localised banding of thin mudstones and carbonate layering;
- a ~35 metre mudstone (seal) unit between ~230 to 265 metres, which separates the lower and upper aquifers; and
- the primary target lithium brine hosting Deep Sandstone unit extending from ~265 to at least 325 metres in the lower aquifer.

This first hole, of a planned 10 hole, 5,000 metre (diamond and rotary) 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 2 for location).[1]

Lithium Energy has secured a second drill rig, which is scheduled to mobilise to site during November 2022 to accelerate the drilling programme. The next 2 drill holes will be located to the north of SOZDD001, to test deeper conductive targets interpreted to contain lithium rich brines within the Chico 1 and Chico 5 concessions (refer Figure 2).

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

The results of the drillhole sampling to date are shown in Table 1[2]:

Table 1 : Results of Packer Sampling at Drillhole SOZDD001

Intersection Samples[(A)]	Hole Depth Range		Li (mg/l)	K (mg/l)	Mg (mg/l)	Mg/Li Ratio	Conductivity (mS/cm)	Flow Rate (l/min)	Density (g/ml)
	From (m)	To (m)							
1[(B)]	72.6	74.1	158	1359	363	2.30	199	14.3	1.132
2[(B)]	75.6	79.4	101	844	226	2.24	215	15.4	1.156
3	93.6	97.1	**399**	3121	931	2.33	215	13.1	1.158
4	111.6	115.1	**414**	3249	968	2.34	216.1	7.36	1.166
5	129.6	133.1	**416**	3232	962	2.31	230.2	17.2	1.17
6[(C)]	147.6	153.3	270	2178	650	2.41	208.3	11.5	1.141
7	227	229	**555**	4277	1201	2.16	224.4	9.6	1.196
8	268	274	**517**	4012	1074	2.08	224.5	4.7	1.193
9[(D)]	275	293	**485**	3581	739	1.52	218.1	8.3	1.193

Notes:

(A) A pre-collar has been cemented in place at a drill hole depth of ~50 to 60 metres, to isolate the fresh/brackish water and to prevent dilution with the sampling and assaying of the deeper brines.[3]

(B) Sampling affected by dilution due to packer leakage allowing fresh water to penetrate. The lithium concentration for this section is still to be properly determined.

(C) Sampling for this intersection was for approximately half the time of the other intersections and accordingly, the well fluids may not have flushed out fully prior to sampling. The lithium concentration for this section is still to be properly determined.

(D) Sampling likely affected by dilution due to use of modified single packer (as opposed to double packers used for sample of all other intersections). The lithium concentration for this section is still to be properly determined.

Lithium Energy is continuing to drill into the lower aquifer and will progressively assay for lithium concentrations down hole as drilling progresses.

Sampling of encountered brines is being conducted by the use of double packers and single packers, depending on the condition of the drill hole.

Testing of brines for conductivity, flow rates and density are being undertaken in the field. Testing of the chemical composition (particularly Lithium, Potassium, Magnesium concentrations) of brines are being undertaken at a local laboratory.

Lithium Energy is also routinely (approximately every 8 metres) preparing core samples for brine extraction and chemical analysis and specific yield and porosity testwork. Core samples are encased to prevent fluid loss to ensure the brine material can be extracted by centrifugal measures. The core samples will be sent to a US-based laboratory for specific analysis/testwork that is currently unable to be performed in Argentina.

The core sample analysis/testwork results and packer readings will form the basis, when compiled with the geological logging and the geophysical borehole logging, for a characterisation of the drilled aquifers in terms of grade distribution and porosity/specific yield. This testwork will provide the detailed information which are necessary for the delineation of the maiden JORC Mineral Resource for Solaroz.

2 Refer LEL ASX Announcements dated 1 November 2022: Further Significant Lithium Concentrations Encountered in Maiden Drillhole at Solaroz Lithium Brine Project, 19 October 2022: Major Lithium Discovery Confirmed In First Drillhole of Maiden Programme at the Solaroz Lithium Brine Project and 5 October 2022: Significant Intersection of Highly Conductive Brines in Maiden Drillhole at Solaroz Lithium Brine Project

3 Refer LEL ASX Announcement dated 21 September 2022: Drilling of First Hole Advancing on Schedule at Solaroz Lithium Brine Project in Argentina

The lithology stratigraphy of the maiden drill hole is illustrated in Figure 1 below with the drill hole currently at a depth of ~335 metres and drilling continuing to the basement of the lower aquifer.

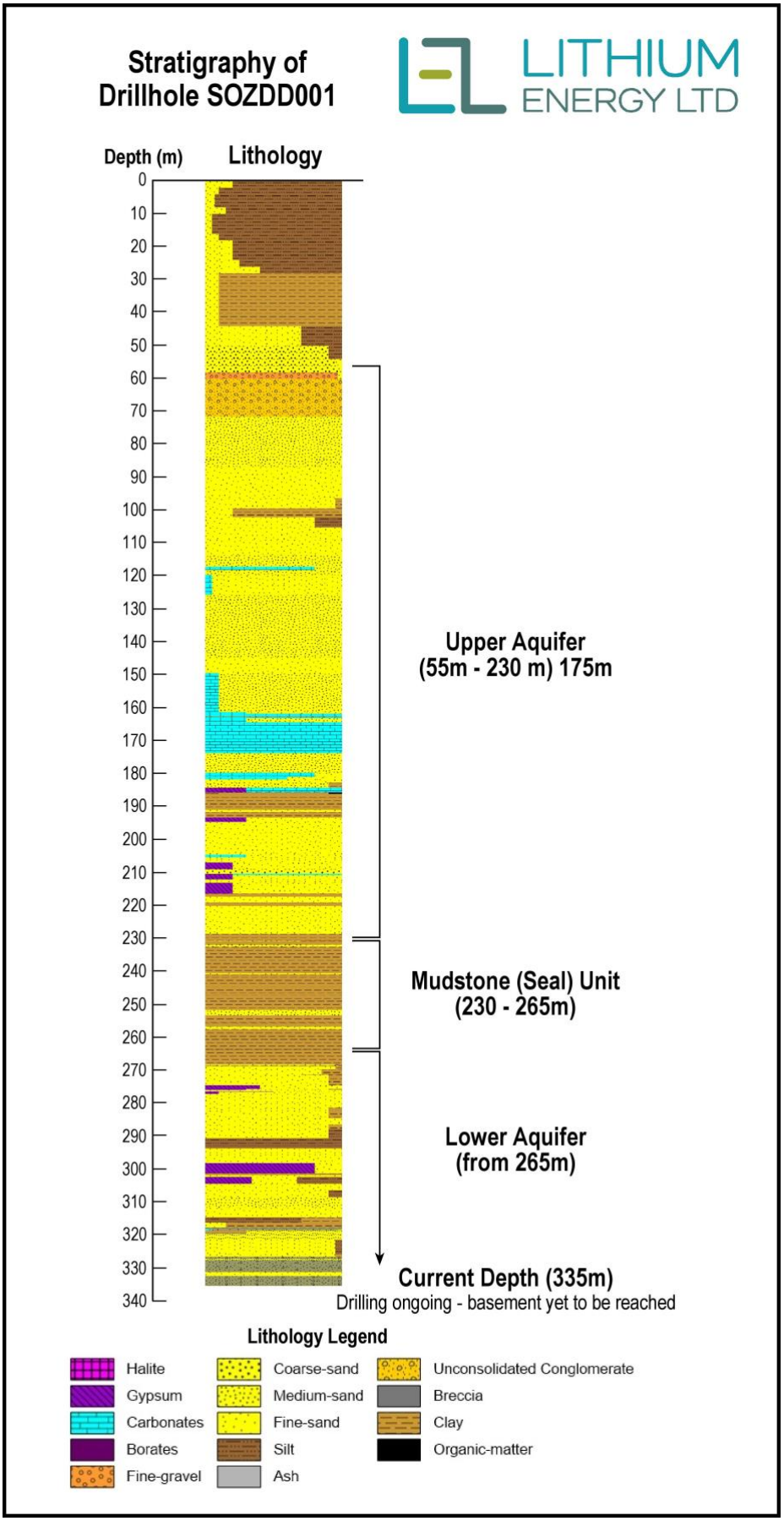

Figure 1: Drillhole (SOZDD001) Stratigraphy showing Upper and Lower Aquifers to Current Depth

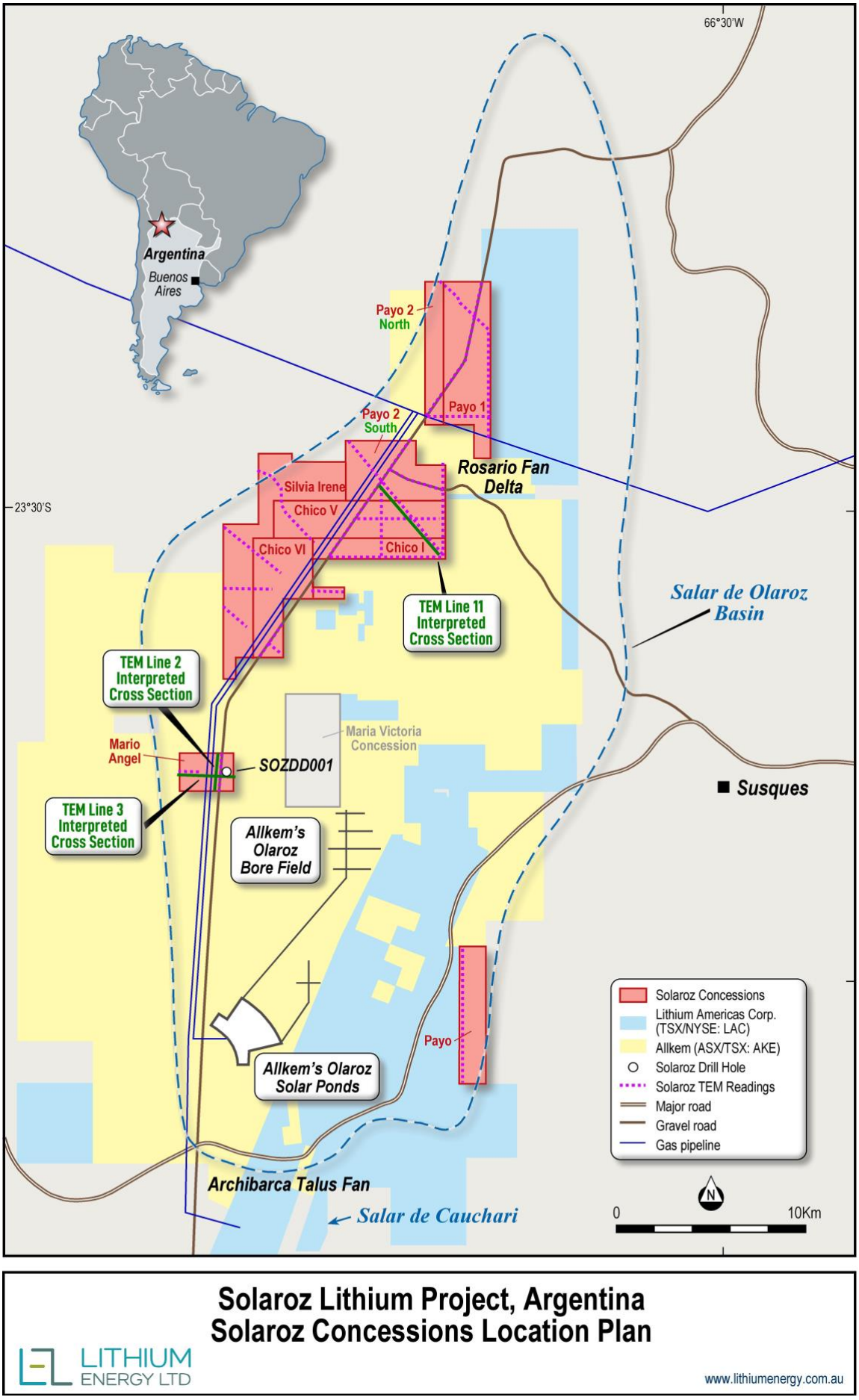

Figure 1: Maiden Drillhole SOZDD001 Location and TEM Survey Lines at Solaroz
(Solaroz Concession Locations Adjacent to Allkem and Lithium Americas Concessions in Olaroz Salar)

Lithium Energy is highly encouraged by the initial assay results at SOZDD001, as they support the conceptual geological model for Solaroz, which was principally based upon previous exploration undertaken by Allkem on concessions neighbouring the Solaroz concession areas by Allkem. Lithium Energy's conceptual geological model posits that the geological structures which host the lithium rich brines which are currently being mined by Allkem at the Olaroz Salar, extend under the Solaroz concession area (refer Figure 2) .

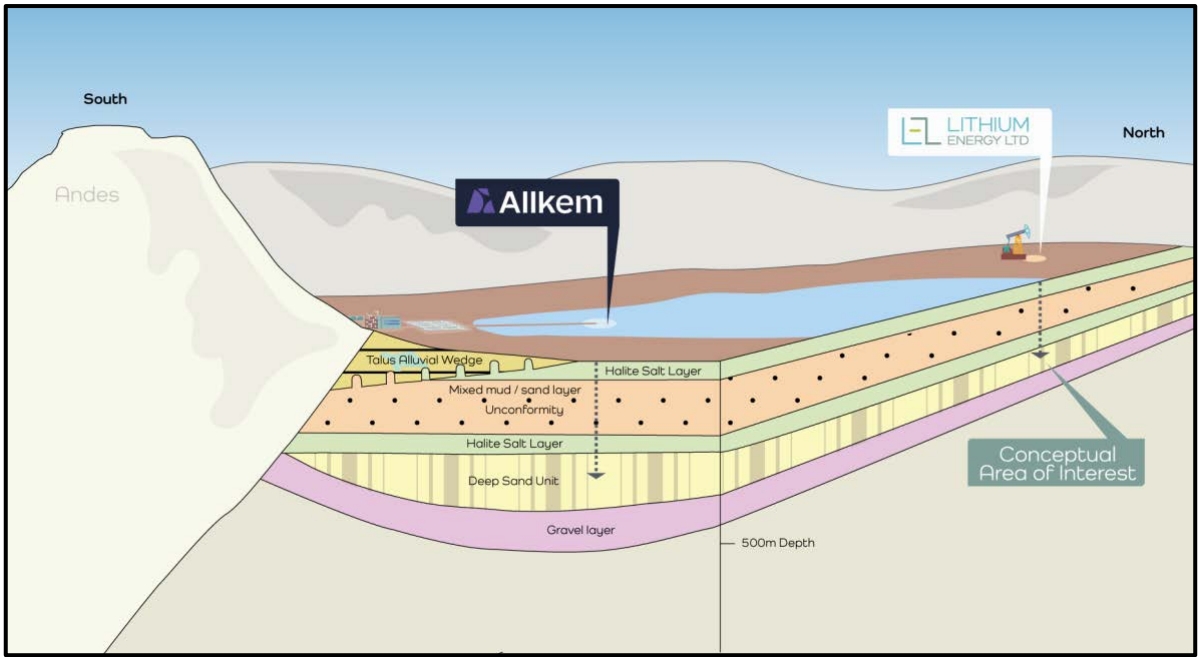

Figure 2: Lithium Energy's Conceptual Geological Model for Solaroz

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.

Completion of Geophysics Programme

Lithium Energy has undertaken a series of geophysical surveys over the Solaroz concession area:

- Passive Seismic surveys are being used to determine the depth of the underlying basement rock (i.e. the theoretical limit of potential lithium mineralisation) underneath the concessions.
- Transient Electromagnetic geophysics (**TEM**) surveys measures electrical conductivity at depth and are being used to identify the depth of conductive brines (i.e. salty water with low electrical resistivity) above the basement rocks identified by the Passive Seismic programme.

These results have confirmed the presence of significant quantities of conductive brines in the Solaroz concession area. Conductive brines such as those currently being mined by Allkem in adjoining concessions are a key pathfinder for the occurrence of lithium in the Olaroz Salar.

In particular, geophysics interpreted to date indicates that the Olaroz Salar over its growth history has been influenced by basement growth faults that have locally influenced the thickness of the sedimentary units in the basin. Because of this, portions of the Olaroz Salar in the Solaroz concession area have locally thickened sedimentary units which appear to have locally increased the thickness of the brine hosting units.

Thicknesses of interpreted brine within the Solaroz concession area of up to 300 metres and to depths up to 500 metres below surface have been identified (see Figure 4), which Lithium Energy believes is highly encouraging for the potential establishment of a significant maiden JORC Mineral Resource for Solaroz.

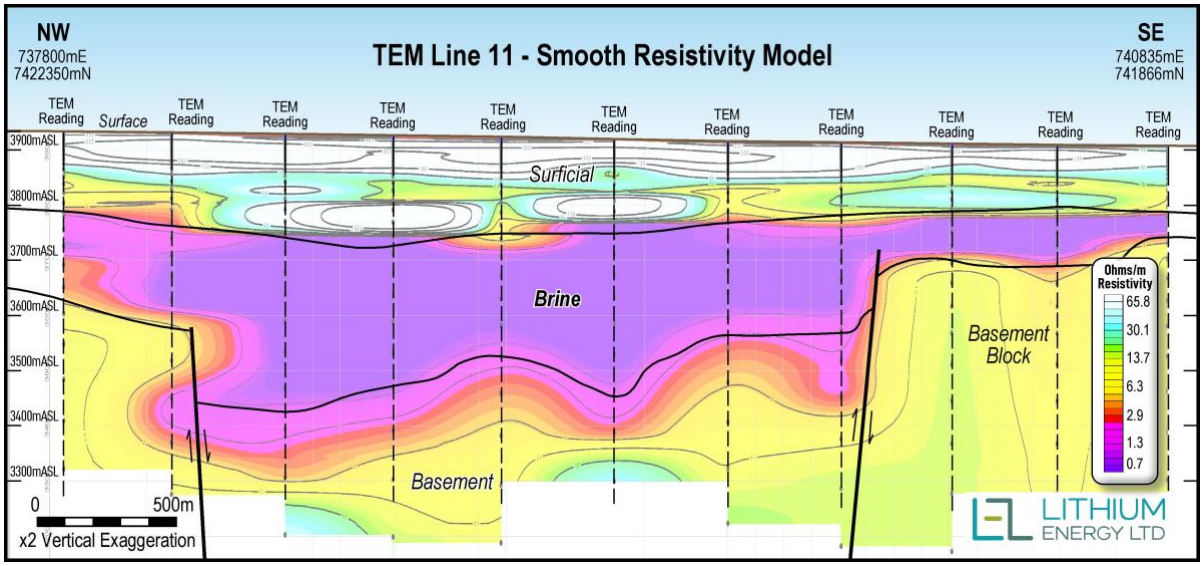

Figure 3: Cross-section measured resistivity along TEM Survey Line 11 across Payo 2 South, Chico V and Chico I concessions

The volumes of interpreted conductive brines across the three separate sections which have been interpreted to date (including TEM Survey 11 referred to above), are shown in red in Figures 5, 6 and 7.

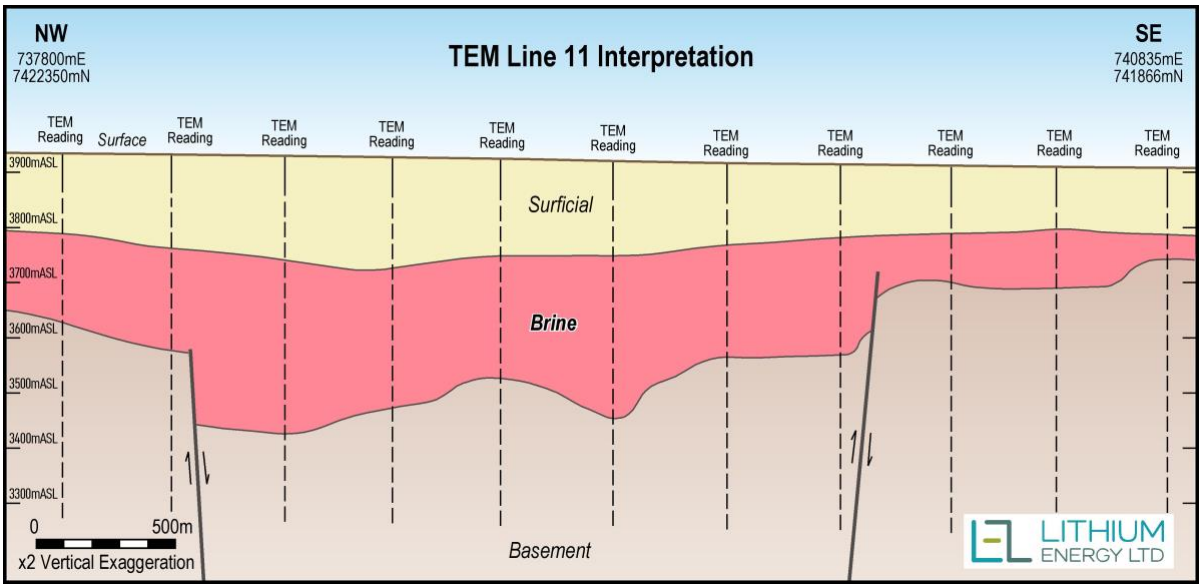

Figure 4: Cross-section along TEM Survey Line 11 across Payo 2 South, Chico V and Chico I concessions, interpreted from TEM Survey data

Lithium Energy's assessment of the volumes of interpreted conductive brines across the Mario Angel concession, including at the SOZDD001 first drillhole location (also shown) is in Figures 6 and 7.

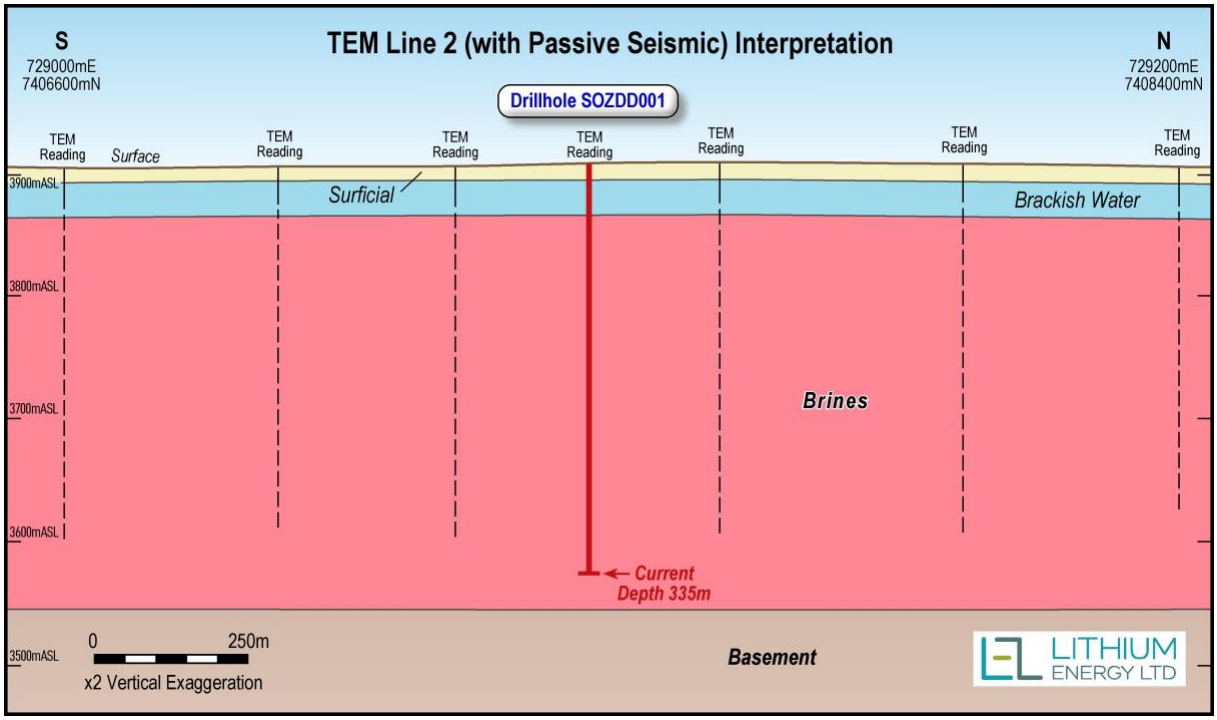

Figure 5: Drillhole SOZDD001 shown on cross-section along (North-South) TEM Survey Line 2 across Mario Angel concession, interpreted from Passive Seismic and TEM Survey data

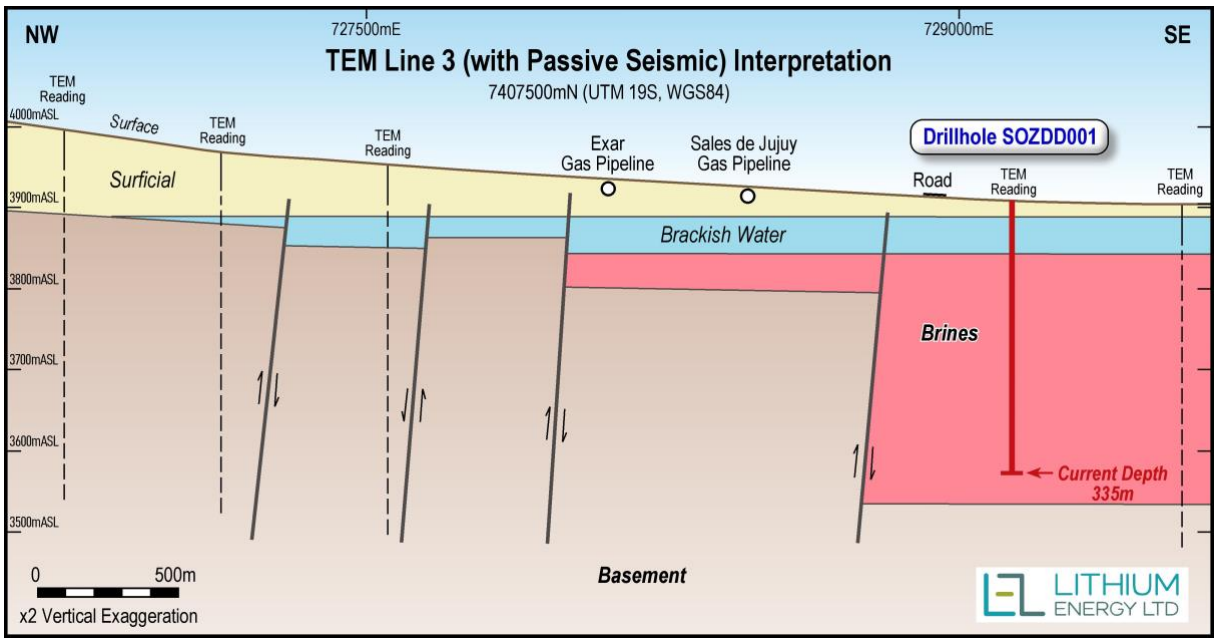

Figure 6: Drillhole SOZDD001 shown on cross-section along (West-East) TEM Survey Line 3 across Mario Angel concession, interpreted from Passive Seismic and TEM Survey data

The collection of site data from TEM surveys undertaken across the Solaroz tenure was successfully completed in September 2022. This data is being interpreted in conjunction with collected Passive Seismic survey data, to build up a complete three-dimensional model of the potentially lithium rich conductive brines at Solaroz.

Early Exercise of Option to Acquire Solaroz Concessions

Lithium Energy Limited has exercised its option to acquire the mineral concessions comprising the Solaroz Lithium Brine Project in Argentina in consideration of a cash payment of US$3.84 million. [4]

Lithium Energy (through its 90% owned subsidiary in Argentina, Solaroz S.A. (**Solaroz**)) had entered into an Option and Purchase Agreement (dated March 2019) (**Option Agreement**) with the registered legal and beneficial owner (**Owner**) of mineral concessions (totalling ~12,000 ha) which comprise the Solaroz Project.

Under the Option Agreement, Solaroz was required to make a series of payments in cash and (at the election of Solaroz) shares over 4 years totalling US$6.59 million to the Owner. To date, Solaroz had made option payments totalling US$0.26 million, with the remaining US$6.33 million to be paid in tranches, with the final payment due in October 2025.[5]

Lithium Energy has reached agreement with the Owner for the early exercise of the option with a cash payment of US$3.84 million (~A$6 million), being a (40%) discount of US$2.49 million (~A$3.9 million).

Solaroz Project Background

Lithium Energy's flagship Solaroz Lithium Brine Project comprises 8 mineral concessions totalling approximately 12,000 hectares, located approximately 230 kilometres north-west of the provincial capital city of Jujuy within South America's 'Lithium Triangle' in North-West Argentina (refer Figure 8) in the Salar de Olaroz basin (the **Olaroz Salar**).

The highly prospective nature of the Solaroz Project is highlighted by its close proximity to two world class Lithium brine assets, being the flagship Olaroz Lithium Facility of Allkem Limited (ASX/TSX:AKE) (formerly Orocobre Limited) (**Allkem**)[6] and the advanced Cauchari-Olaroz development project held by Lithium Americas Corporation (TSX/NYSE:LAC) (**Lithium Americas**) (under a joint venture with Ganfeng Lithium).

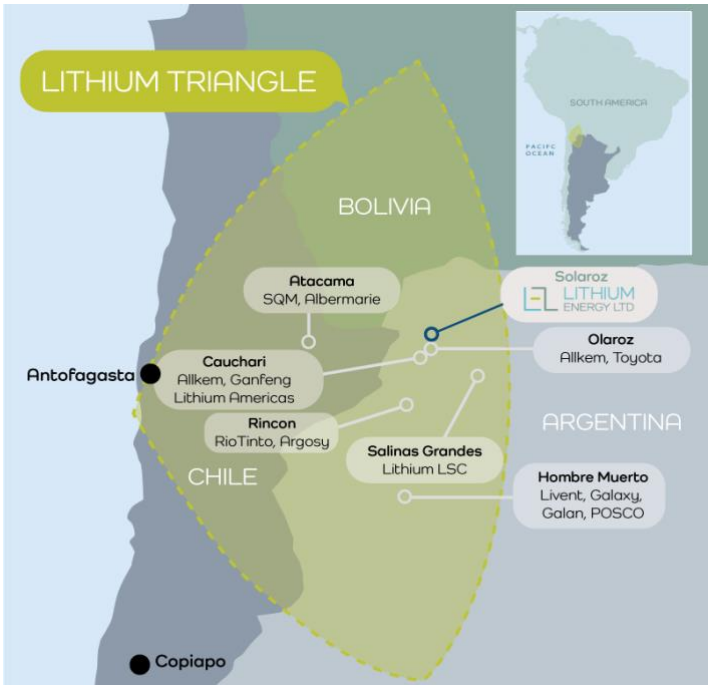

Figure 7: Lithium Projects Located in 'Lithium Triangle'

The Solaroz Project is directly adjacent to or principally surrounded by concessions held by Allkem and Lithium Americas in the Olaroz Salar (refer Figure 2). Allkem's Olaroz Lithium Facility at the Olaroz Salar (under a joint venture with Tokyo Stock Exchange listed Toyota Tsusho Corporation (TYO:8015)) has been extracting lithium brine and producing lithium carbonate since ~2015.[7] Lithium Americas' Cauchari-Olaroz Project is located in the Olaroz Salar and neighbouring Salar de Cauchari adjacent to Allkem's Olaroz Lithium Facility.[8]

The location of Lithium Energy's Solaroz concessions is outlined in Figure 2.

4 Refer LEL ASX Announcement dated 31 October 2022: Early Exercise of Option to Acquire Solaroz Lithium Brine Project Concessions

5 Refer Note 21(d) (Contingencies - Deferred Payments Relating to Acquisition of Solaraz Lithium (Argentina)) to the financial statements in the Company's 2022 Annual Report

6 Orocobre Limited (former ASX:ORE) changed its name to Allkem Limited (ASX:AKE) with effect on 6 December 2021

7 Source: Allkem ASX announcements

8 Source: Lithium America's public releases

Solaroz Exploration Target

Lithium Energy has established a conceptual Exploration Target for the Solaroz Project of[9]:

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), Allkem (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), Allkem (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 Li_2CO_3 ((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.

The Exploration Target demonstrates the potential world-class scale of Solaroz and has been arrived at after a detailed examination of extensive geological data that exists in relation to the brine rich lithium aquifer that comprises the Olaroz Salar, including a review of historical exploration in the Olaroz Salar and a detailed review of reported results from geophysical surveys undertaken by Allkem and Lithium Americas, including a number of Gravity and Audio-frequency Magnetotellurics (**AMT**) surveys conducted by Allkem, some of which were undertaken over or closely adjacent to Lithium Energy's Solaroz concessions.

The Exploration Target is based on the interpretation that the alluvial deposits upon which the Solaroz concessions are located (at the North-West corner of the Olaroz Salar) have been deposited relatively recently and lie directly above the productive Deep Sand Unit of the lithium rich aquifer from which Allkem is extracting its brine. Geological modelling undertaken by Lithium Energy indicates the potential for a lithium-brine hosting Deep Sand Unit to occur beneath surficial material at depths from 200 - 400m over a large proportion of the Solaroz concessions.

The interpretation of the results of a geophysics exploration programme completed by Lithium Energy to date indicate the presence of significant quantities of conductive brines in the Solaroz concession area, with indicated brine thicknesses up to 300 metres and to depths up to 500 metres below surface in sections (as outlined above).

Lithium Energy notes Allkem's update to their Olaroz Resource released in April 2022[10], in which they substantially expanded the resource in the Olaroz Salar and confirmed strong project economics for expansion of production. The results from this update provide further support for Lithium Energy's conceptual Exploration Target, with the area defined by Allkem for their Updated 2022 Resource Outline extending close or adjacent to concessions held by Lithium Energy.

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

10 Refer Allkem's ASX/TSX Announcement dated 4 April 2022: Olaroz resource upgraded 2.5x to 16.2 million tonnes LCE – Confirmation of strong project economics for Olaroz stage 2

BURKE GRAPHITE PROJECT (QUEENSLAND, AUSTRALIA) (100%)

CSIRO Testwork

High purity graphite concentrate (produced from previous drill core samples taken from the Burke Tenement using laboratory flotation) has been used by CSIRO to complete an initial programme of spheronisation, purification and electrochemical testwork.

The spheroidisation of the natural graphite flakes, through a mechanical process, shapes the graphite into 'potato-like' structures with the objective of easier processing of Burke natural graphite flakes into electrode materials to reduce capacity losses and enhance cell efficiency.

Lithium Energy is currently reviewing the results of this CSIRO testwork and the next phase of work. The Company notes that it will need to produce more high purity graphite concentrate flake for future activities – the upcoming drilling programme on the Burke Tenement will provide additional core samples for flotation processing to produce additional graphite flake concentrate, leading into further processing focussing on potential anode applications.

Lithium Energy has entered into a Research Agreement with CSIRO (September 2021[11]) to undertake this work, which comprises a key component required to demonstrate to potential graphite purchasers the benefits of the natural flake graphite within the Burke Deposit for use in lithium-ion batteries. The research project is being undertaken pursuant to the CSIRO Kick-Start initiative, which provides funding and support for innovative Australian small businesses to access CSIRO's research expertise and capabilities to help grow and develop their business. 50% of the project cost will be co-funded by CSIRO through the Kick-Start Program.

Drilling Programmes

Lithium Energy has developed a drilling programme comprising a combination of RC, diamond core and geotechnical holes (of ~2,500 metres across ~18 holes, to a depth of ~150 metres) to upgrade part of the JORC Inferred Mineral Resource at its Burke Tenement to a higher JORC Indicated Mineral Resource category, with further optimisation via 3D modelling, metallurgy tests and pit optimisation studies.

The upgrade in the resource classification of the Burke Tenement is required in order to assist Lithium Energy undertaking a number of studies to assess the commercial viability of establishing a Purified Spherical Graphite manufacturing facility, using its Burke Graphite as a feedstock material. An upgrade to a JORC Indicated Mineral Resource will in particular allow the Company to report on potential production rate(s) in respect of any proposed manufacturing facility using the Burke Tenement graphite.

All necessary access permits and approvals to undertake this drilling programme has been secured and site works have been completed on the Burke Tenement in advance of the commencement of this drilling programme, which is expected to be completed in Q4 2022.

Lithium Energy has also developed a drilling programme (comprising ~2,500 metres of drilling, including metallurgical sampling) at the Corella Tenement located approximately 30km west of Cloncurry (and approximately 150km south of the Burke Tenement). The Company is currently finalising arrangements to secure heritage clearances from the traditional owners (the Kalkadoon People) and other access permits and approvals ahead of preparatory site works, which is expected to be completed in Q4 2022, weather permitting.

11 Refer LEL ASX Announcement dated 27 September 2021: High Grade Burke Graphite to be Optimised for Lithium Battery Application

A ground Electro Magnetic (**EM**) survey was completed in June 2018, covering the south-east corner of the Burke Tenement (refer Figure 10) and the north-east corner of the Corella Tenement (refer Figure 9).[12] The EM survey identified significant target areas (for additional high-grade mineralisation) within the Corella Tenement as well as identifying new zones of increased conductivity adjacent to previously drilled graphite mineralisation within the Burke Tenement.

The Corella 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 9) within which conductive features similar to those corresponding to high-grade graphite occurring at the Burke Tenement were identified.

The conductive features identified at the Corella Tenement appear to be shallow to flat-lying and occur in areas of outcropping and sub-cropping graphite that have rock chips of up to 14.85% TGC.[13]

The drilling programme developed for the Corella Tenement is designed to test the extent of graphite mineralisation identified through the previously conducted EM survey.

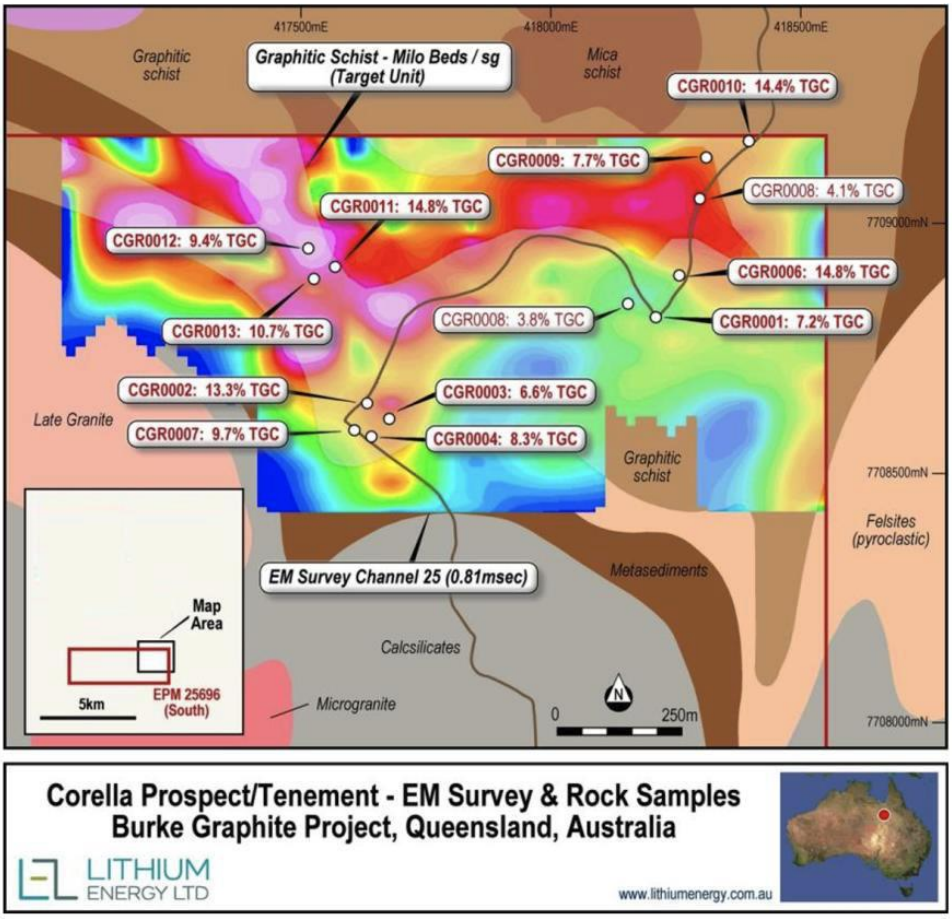

Figure 8 - EM Survey - Corella Prospect, Burke Graphite Project

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

12 Refer Strike Resources Limited (ASX:SRK) ASX Market Announcement dated 26 June 2018: Burke Graphite Project – New Target Area Identified from Ground Electro-Magnetic Surveys

13 Refer Strike Resources Limited (ASX:SRK) ASX announcement dated 21 April 2017: Jumbo Flake Graphite Confirmed at Burke Graphite Project, Queensland

The EM survey over the south-eastern corner of the Burke 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 10. In addition, the survey verified the width and dip of the drill intersected high-grade graphite.

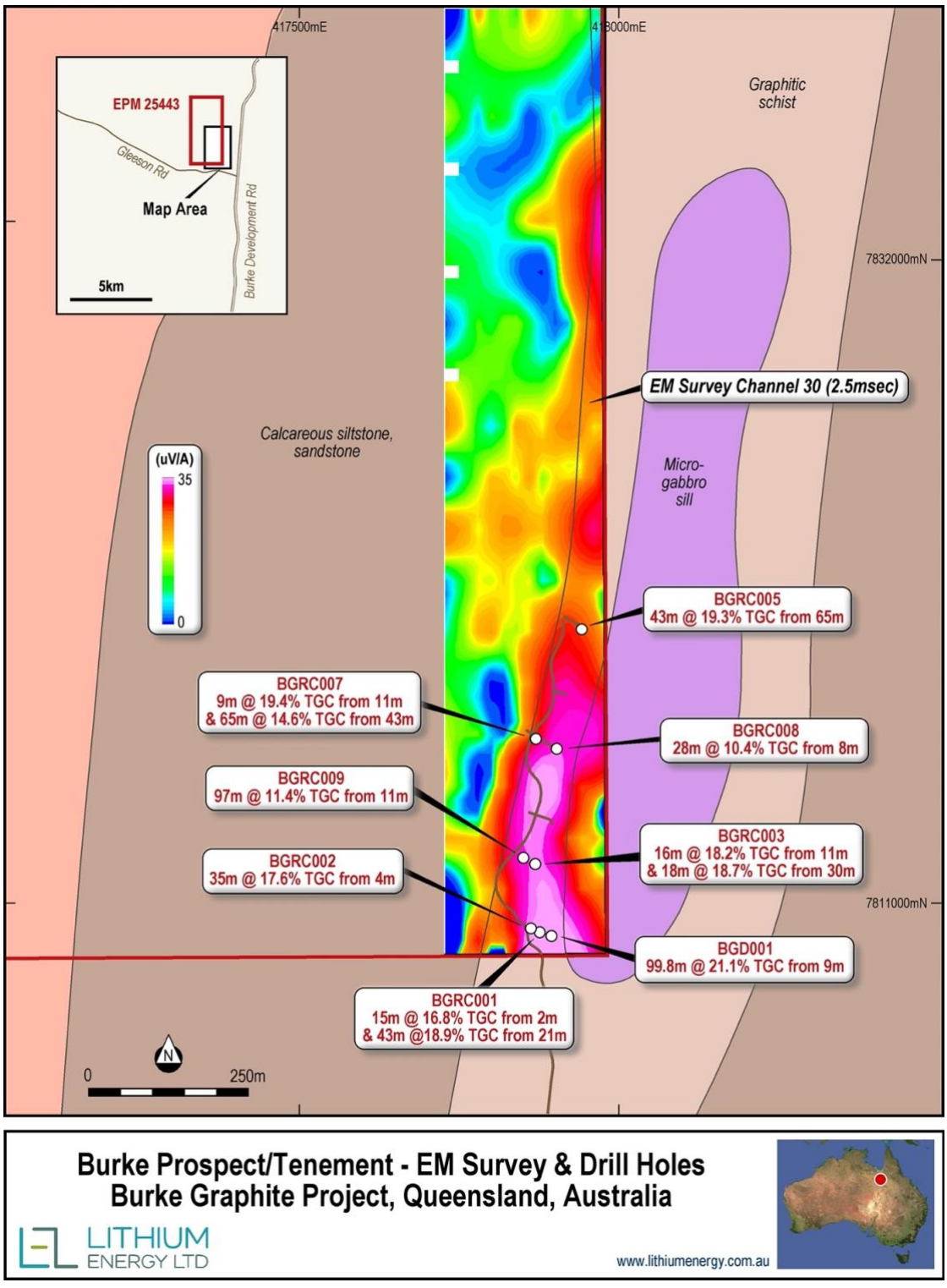

Figure 9: EM Survey - Burke Tenement, Burke Graphite Project

The drilling programme developed for the Burke Tenement is designed to increase the understanding of the Burke Deposit with the objective to upgrade higher grade portions of the JORC Inferred Mineral Resource to a higher standard JORC Indicated Mineral Resource category, in order to facilitate the completion of further economic studies.

Potential Value Adding Processing Facility

Lithium Energy believes that:

- The high-grade nature of the Burke Deposit, its location in Queensland (including relative to the Lansdown Eco-Industrial precinct near Townsville) and the prior test work indicating its potential suitability for use in lithium-ion batteries, affords the Company a highly advantageous position to expand the scope of its proposed graphite operations from that of a pure graphite miner.
- There are significant advantages in creating an in-country vertically integrated operation that will encompass a mine, a concentrator and a downstream processing operation to produce Purified Spherical Graphite (**PSG**) for sale to lithium-ion battery anode manufacturers.

Accordingly, Lithium Energy is investigating the establishment of a dedicated, environmentally sustainable manufacturing facility potentially within the 22,000-hectare Lansdown Eco-Industrial precinct located 40 kilometres south of Townsville (where Queensland Pacific Minerals is also proposing to construct the Townsville Energy Chemicals Hub (TECH) Project) to purify and spheronise graphite sourced from the Burke Deposit for use as anode material in lithium-ion batteries.[14]

Lithium Energy has received submissions from a number of engineering companies to assist with the advancement of the studies relating to the establishment of a PSG manufacturing facility using the graphite deposit on the Burke Tenement. The Company will consider the appointment of an engineering company to advance these studies, once the drilling on the Burke Tenement is complete and the JORC Mineral Resource is upgraded to a level allowing suitable production targets to be determined.

Burke Project Background

The Burke Graphite Project comprises two granted Exploration Permits for Minerals (**EPM**) totalling approximately 26 square kilometres 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) (refer Figure 11).

The Burke EPM 25443 tenement (**Burke Tenement**) is located 125km north of Cloncurry adjacent to the Mt Dromedary Graphite Project held by Novonix Limited (ASX: NVX). The Corella EPM 25696 tenement (**Corella Tenement**) is located 40km west of Cloncurry near the Flinders Highway that links Mt Isa to Townsville.

14 Refer LEL ASX Market Announcement dated 21 October 2021: Lithium Energy to Pursue Downstream Graphite Processing Opportunity at Emerging Townsville Battery Hub

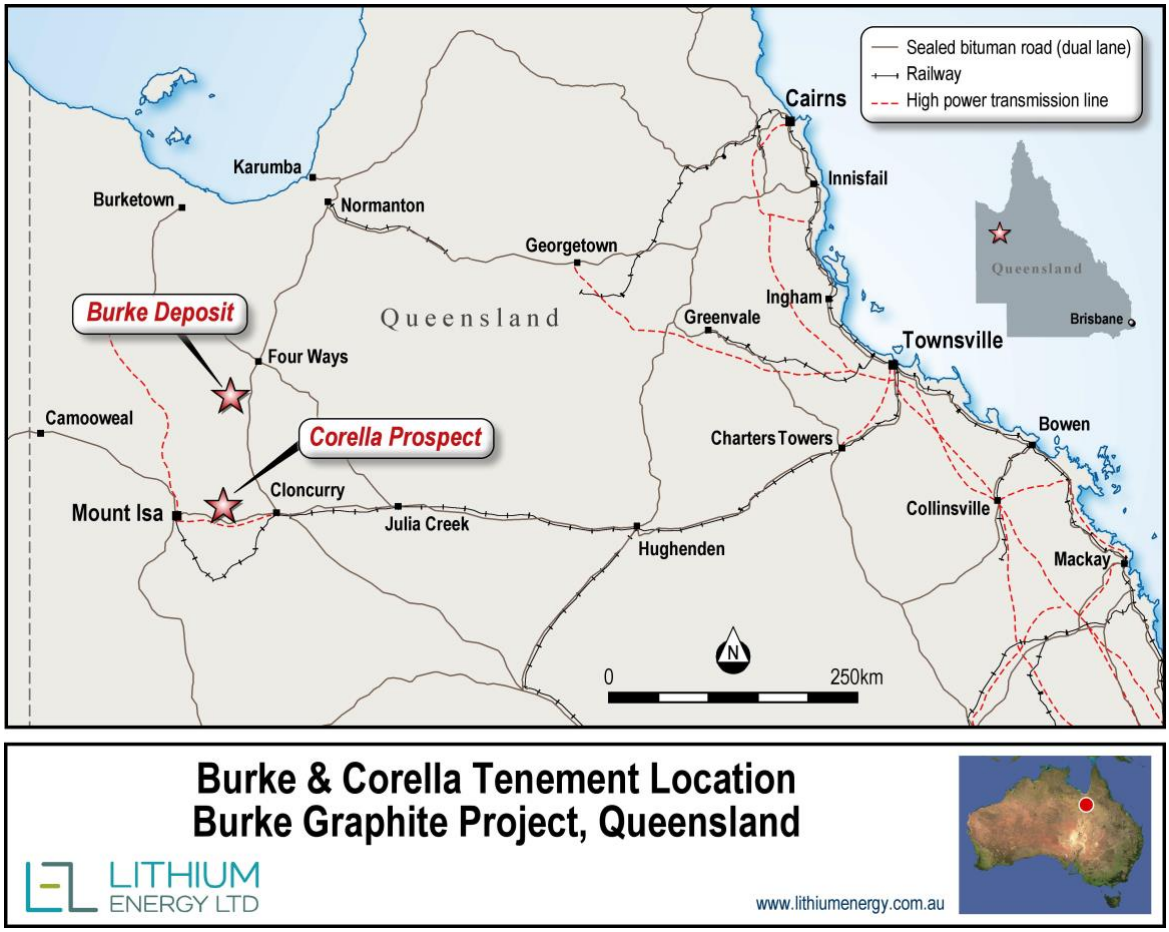

Figure 10: Burke Graphite Project Tenement Locations in North Central Queensland

Burke Deposit

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

- **6.3 million tonnes @ 16.0% 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 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.

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 Burke Deposit presents the opportunity for Lithium Energy to participate in the anticipated growth in demand for graphite and graphite related products particularly with respect to the production of Lithium-ion batteries where (natural and synthetic) graphite is the largest single component by weight.

In addition to the high-grade nature of the deposit, the Burke 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 previously conducted have confirmed that a concentrate of purity **in excess of 95% and up to 99% TGC** can be produced using a standard flotation process.[15]
- Contains graphite from which Graphene Nano Platelets (**GNP**) have been successfully extracted direct from the Burke Deposit via Electrochemical Exfoliation (**ECE**).[15] 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.
- Is located in the relatively safe and mining friendly jurisdiction of Queensland, Australia with well-developed transport infrastructure and logistics nearby.
- Is favourably located relative to the Lansdown Eco-Industrial Precinct near Townsville in North Queensland, which is emerging as an important precinct for the production of critical materials for battery technologies in Australia.
- Is potentially amenable to low-cost open-pit mining.

15 Refer Strike Resources Limited (ASX:SRK) ASX Announcement dated 16 October 2017: Test-work confirms the potential suitability of Burke graphite for Lithium-ion battery usage and Graphene production

CORPORATE

Completion of $15 Million Capital Raising

Lithium Energy completed a $15 million capital raising (before costs) via the issue of 15,000,000 shares at an issue price of $1.00 per share.[16] The issue was completed within the Company's 15% placement capacity and additional 10% placement capacity (approved at the last AGM) under the ASX Listing Rules, to new and existing institutional and sophisticated and professional shareholders/investors. Canaccord Genuity (Australia) Limited acted as Lead Manager to the placement which was heavily oversubscribed.

Securities on Issue

Class of Security	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	60,150,000	34,860,000	**95,010,000**
Executive Options ($0.30, 18 Mar 2024)[17]	-	10,000,000	**10,000,000**
Broker Options ($0.30, 4 May 2024)[18]	-	4,000,000	**4,000,000**
Executive Options ($1.39, 29 Nov 2024)[19]	-	3,500,000	**3,500,000**
SIP Options ($1.595, 15 February 2025)[20]	-	100,000	**100,000**
Broker Options ($1.50, 20 September 2025)[21]		750,000	**750,000**
Executive Options ($1.06, 4 October 2025)[22]		17,500,000	**17,500,000**

The Company issued the following unlisted options during and subsequent to the end of the quarter:

Class of Unlisted Options	Issue Date	Exercise Price	Expiry Date	Number of options
Broker Options ($1.50, 20 September 2025)	21 Sep 2022	$1.50	20 Sep 2025	750,000
Executive Options ($1.06, 5 October 2025)	5 Oct 2022	$1.06	4 Oct 2025	17,500,000

The Executive Options ($1.06, 5 October 2025) were issued after receipt of shareholder approval at the Company's annual general meeting held on 5 October 2022.[23]

Restricted Securities

Class of Security	Number	Escrow Period
Fully paid ordinary shares	34,860,000	19 May 2023 (24 months from date of quotation)
Executive Options ($0.30, 18 March 2024)	10,000,000	19 May 2023 (24 months from quotation)
Broker Options ($0.30, 4 May 2024)	4,000,000	19 May 2023 (24 months from quotation)

16 Refer LEL Announcement dated 21 September 2022: Application for quotation of securities – LEL

17 Refer Section 16.3 (Rights Attaching to Executive Options) of the Company's Prospectus (dated 30 March 2021) for terms and conditions of the Executive Options

18 Refer Section 16.2 (Rights Attaching to Broker's Options) of the Company's Prospectus (dated 30 March 2021) for terms and conditions of the Broker Options

19 Refer LEL Announcement dated 2 December 2021: Notification regarding unquoted securities – LEL and Annexure B (Terms and Conditions of New Executive Options) of LEL's Notice of Annual General Meeting and Explanatory Statement dated 18 October 2021 and released on ASX on 28 October 2021

20 Refer LEL Announcement dated 18 February 2022: Notification regarding unquoted securities – LEL

21 Refer LEL Announcement dated 21 September 2022: Notification regarding unquoted securities – LEL

22 Refer LEL Announcement dated 5 October 2022: Notification regarding unquoted securities – LEL and Annexure B (Terms and Conditions of Executive Options) of LEL's Notice of Annual General Meeting and Explanatory Statement dated 22 August 2022 and released on ASX on 2 September 2022

23 Refer LEL Announcement dated 5 October 2022: Results of 2022 Annual General Meeting and LEL's Notice of Annual General Meeting and Explanatory Statement dated 22 August 2022 and released on ASX on 2 September 2022

Summary of Expenditure Incurred[24]

A summary of expenditure incurred by Lithium Energy during the quarter, in relation to cash flows from operating and investing activities reported in the accompanying Appendix 5B Cash Flow Report is as follows:

	Expenditure Incurred / Cash Outflows		
For Quarter ending 30 September 2022	Operating	Investing	Total
	$'000		
Exploration and evaluation expenditure and tenements	-	630	630
Personnel expenses	98	-	98
Occupancy expenses	25	-	25
Corporate expenses	123	-	123
Administration expenses	41	-	41
Total Expenditure	**287**	**630**	**917**

There were no mining production and development activities during the quarter.

Reconciliation of Expenditure to Utilisation of Funds Statement in Prospectus[25]

	Proposed Utilisation of Funds Disclosed in Prospectus)[26]	Actual Expenditure (Cash Outflows) to 30 September 2022	Variance
		$'000	
Exploration and Evaluation Expenditure	5,235	1,150	4,085
Cash Consideration Payments to Solaroz Owner	1,750	-	1,750
Expenses of the IPO	765	829	(64)
Balance: Corporate Overheads/Working Capital	1,250	1,283	(33)
Total	**9,000**	**3,262**	**5,738**

The Company notes that the longer than anticipated time period taken to receive environmental approvals to undertake exploration on the Solaroz concessions has put back the time framework for the proposed exploration and evaluation expenditure on the Solaroz Lithium Project as disclosed in Lithium Energy's Prospectus.

The Utilisation of Funds disclosed in Lithium Energy's Prospectus is an aggregate estimate over a 2 year period (as at the date of the Prospectus – 30 March 2021). The reported Actual Expenditure (above) is based on cumulative cash outflows from 14 January 2021 (the date of incorporation of the company) to 30 September 2022 and as reported in the Company's Appendix 5B Cash Flow Reports for the quarters ending 30 June 2021 to 30 September 2022.

24 Per ASX Listing Rule 5.3.1

25 Per ASX Listing Rule 5.3.4

26 Refer Section 6.1 (Utilisation of Funds) of the Company's Prospectus (dated 30 March 2021)

The proposed exploration expenditure programme (and allocation across Lithium Energy's projects) (as outlined in the Prospectus) will be refined according to the results of the programmes as they are undertaken/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.

Payments to Related Parties[27]

During the quarter, Lithium Energy paid a total of $94k in respect of Directors' remuneration, comprising salaries, PAYG remittances to the ATO and statutory employer superannuation contributions. This is disclosed in Item 6 of the accompanying Appendix 5B Cash Flow Report.

27 Per ASX Listing Rule 5.3.5

LIST OF MINERAL TENEMENTS

Lithium Energy has interests in the following mineral tenements as at the end of the quarter and currently:

Solaroz Lithium Brine Project (Argentina) (90%)

Tenement Name	Area (Ha)	Province	File No
Mario Ángel	543	Jujuy	1707-S-2011
Payo	990	Jujuy	1514-M-2010
Payo 1	1,973	Jujuy	1516-M-2010
Payo 2	2,193	Jujuy	1515-M-2010
Chico I	835	Jujuy	1229-M-2009
Chico V	1,800	Jujuy	1312-M-2009
Chico VI	1,400	Jujuy	1313-M-2009
Silvia Irene	2,465	Jujuy	1706-S-2011

Burke Graphite Project (Queensland, Australia) (100%)

Tenement No.	Grant Date	Expiry Date	Area (blocks)	Area (km^2)
Burke EPM 25443	4/9/2014	3/9/2024	2 sub-blocks	~6.58
Corella EPM 25696	2/4/2015	1/4/2025	6 sub-blocks	~19.74

JORC MINERAL RESOURCES

Burke Graphite Project (Queensland, Australia) (100%)

The Burke Deposit (on the Burke EPM 25443 tenement) has a JORC Code (2012 Edition) compliant Mineral Resource:

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.

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).

JORC CODE COMPETENT PERSON'S STATEMENTS

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

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:

- 1 November 2022 entitled "Further Significant Lithium Concentrations Encountered in Maiden Drillhole at Solaroz Lithium Brine Project"
- 19 October 2022 entitled "Major Lithium Discovery Confirmed In First Drillhole of Maiden Programme at the Solaroz Lithium Brine Project"
- 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 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).

JORC Code (2012) Competent Person Statement - Burke Graphite Project Mineral Resources

The Competent Persons named below have been previously engaged by Strike Resources Limited (ASX:SRK) (**Strike**), the former parent company of Lithium Energy Limited (and subsidiaries) that hold the interests in the Burke Graphite Project. Lithium Energy Limited was spun out of Strike into a new ASX listing in May 2021.

(a) The information in this document that relates to Mineral Resources in relation to the Burke Graphite Project is extracted from the following ASX market announcement made by Strike dated:

- 13 November 2017 entitled "Maiden Mineral Resource Estimate Confirms Burke Project as One of the World's Highest-Grade Natural Graphite Deposits".

The information in the original announcement (including the CSA Global MRE Technical Summary in Annexure A) that relates to these Mineral Resources is based on information compiled by Mr Grant Louw under the direction and supervision of Dr Andrew Scogings. Dr Scogings takes overall responsibility for this information. Dr Scogings is an employee of CSA Global Pty Ltd and at the time of the Mineral Resource estimation, Mr Louw was an employee of CSA Global Pty Ltd, who had been engaged by Strike to provide Mineral Resource estimate services. Dr Scogings is a Member of AIG (and at the time of the Mineral Resource estimation, also a member of the Australian Institute of Mining and Metallurgy (**AusIMM**)) and has sufficient 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 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).

(b) The information in this document that relates to metallurgical test work results in relation to the Burke Graphite Project is 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".

The information in the original announcements that relates to these metallurgical test work matters is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Adamini, BSc (Mineral Science and Chemistry), who is a Member of AusIMM. Mr Adamini 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).

(c) The information in this document that relates to Exploration Results in relation to the Burke Graphite Project is extracted from the following ASX market announcements released by:

(i) Lithium Energy dated:

- 27 September 2021 entitled "High Grade Burke Graphite to be Optimised for Lithium Battery Application"
- 9 July 2021 entitled "Graphene from Burke Graphite Project Opens Up Significant Lithium-Ion Battery Opportunity".

(ii) 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".

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 AIG, a consultant to Strike 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 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).

Lithium Energy's ASX Announcements may be viewed and downloaded from the Company's website: www.lithiumenergy.com.au or the ASX website: www.asx.com.au under ASX code "LEL".

Strike's ASX Announcements may be viewed and downloaded from the Company's website: www.strikeresources.com.au or the ASX website: www.asx.com.au under ASX code "SRK".

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.

Rule 5.5

Appendix 5B
Mining Exploration Entity or Oil and Gas Exploration Entity Quarterly Cash Flow Report

Name of entity

LITHIUM ENERGY LIMITED (ASX:LEL) and its controlled entities

ABN	Quarter Ended (current quarter)
94 647 135 108	**30 September 2022**

Consolidated statement of cash flows		**Current Quarter Sep-2022 $A' 000**	**Year to Date 3 months $A' 000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	**-**	**-**
1.2	Payments for		
	(a) exploration & evaluation	**-**	**-**
	(b) development	**-**	**-**
	(c) production	**-**	**-**
	(d) staff costs	**(98)**	**(98)**
	(e) administration and corporate costs	**(189)**	**(189)**
1.3	Dividends received (see note 3)	**-**	**-**
1.4	Interest received	**9**	**9**
1.5	Interest and other costs of finance paid	**-**	**-**
1.6	Income taxes paid	**-**	**-**
1.7	Government grants and tax incentives	**-**	**-**
1.8	Other (provide details if material)	**-**	**-**
1.9	**Net cash from / (used in) operating activities**	**(278)**	**(278)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	**-**	**-**
	(b) tenements	**(174)**	**(174)**
	(c) property, plant and equipment	**-**	**-**
	(d) exploration & evaluation	**(456)**	**(456)**
	(e) investments	**-**	**-**
	(f) other non-current assets	**-**	**-**

Consolidated statement of cash flows	Current Quarter Sep-2022 $A' 000	Year to Date 3 months $A' 000
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	**(630)**	**(630)**
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	**15,000**	**15,000**
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	**(990)**	**(990)**
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	**14,010**	**14,010**
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	**6,672**	**6,672**
4.2 Net cash from / (used in) operating activities (item 1.9 above)	**(278)**	**(278)**
4.3 Net cash from / (used in) investing activities (item 2.6 above)	**(630)**	**(630)**
4.4 Net cash from / (used in) financing activities (item 3.10 above)	**14,010**	**14,010**
4.5 Effect of movement in exchange rates on cash held	**24**	**24**
4.6 Cash and cash equivalents at end of period	**19,798**	**19,798**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current Quarter $A' 000**	**Previous Quarter $A' 000**
5.1	Bank balances	17,798	1,842
5.2	Call deposits	2,000	4,830
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**19,798**	**6,672**

6.	**Payments to related parties of the entity and their associates**	**Current Quarter $A' 000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(94)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	**-**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A' 000**	**Amount drawn at quarter end $A' 000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	**-**

Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Nil

8.	**Estimated cash available for future operating activities**	**$A' 000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(278)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(456)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(734)
8.4	Cash and cash equivalents at quarter end (item 4.6)	19,798
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	19,798
8.7	**Estimated quarters of funding available** (item 8.6 divided by item 8.3)	**26.97**

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Authorised By:

William Johnson
Executive Chairman

31 October 2022

See Chapter 19 of ASX Listing Rules for defined terms

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee"

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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