

ASX ANNOUNCEMENT

16 May 2024

Update on Merger of Graphite Assets and Axon Graphite Limited IPO

Lithium Energy Limited (ASX:LEL) (**Lithium Energy** or the **Company**) refers to its agreement with NOVONIX Limited (ASX:NVX) (**NOVONIX**) to acquire NOVONIX's Mt Dromedary Graphite Deposit, which is located directly adjacent to the Company's Burke Graphite Deposit in Queensland, as announced on 3 April 2024¹.

The Company and NOVONIX have both completed their due diligence and issued notices to proceed with the agreement.

NOVONIX nominees, Admiral Robert Natter (US Navy, Ret.) and Tony Bellas, have been appointed to the Board of Axon Graphite Limited (proposed ASX Code : AXG) (**Axon Graphite**), joining Lithium Energy Directors, Farooq Khan and William Johnson.

The profiles of Admiral Robert Natter and Tony Bellas are in Annexure A.

The Prospectus for the (\$15 Million to \$25 Million) IPO of Axon Graphite is expected to be lodged within the next ~4 to 6 weeks – Lithium Energy will provide further updates on ASX on the indicative timetable for the IPO, including in relation to the record dates for determining entitlements under the Priority Offers to Lithium Energy and NOVONIX shareholders.

An independent Chair will also be appointed to the Axon Graphite Board. Further details on the Board composition and Senior Management of Axon Graphite will be outlined in the Prospectus.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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¹ Refer LEL ASX Announcement dated 3 April 2024: Merger of Lithium Energy and NOVONIX Natural Graphite Assets and Proposed Axon Graphite Limited Spin-Out and IPO

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 and Corella Graphite Projects in Queensland. The Solaroz Lithium Project (LEL:90%) comprises 12,000 hectares of highly prospective lithium mineral concessions (where a JORC Indicated and Inferred Mineral Resource of lithium has been delineated) located strategically within the Salar de Olaroz Basin in South America's "Lithium Triangle" in north-west Argentina. Lithium Energy shares the lithium rights in the Olaroz Salar basin with lithium carbonate producers Arcadium Lithium plc (ASX:LTM) and Lithium Argentina Corporation (TSX:LAAC). Lithium Energy has completed a Scoping Study on Solaroz and is investigating the development of a 20/40ktpa lithium carbonate equivalent (LCE) production facility using conventional evaporation ponds; the Company is also evaluating direct-lithium extraction (DLE) technologies. The Burke and Corella Graphite Projects (LEL:100%) in Queensland, Australia, contains high grade JORC Indicated and Inferred Mineral Resources of graphite.

On 3 April 2024, Lithium Energy and NOVONIX Limited (ASX:NVX) announced the merger of their adjoining Burke and Mt Dromedary Queensland Natural Graphite Deposits into Lithium Energy subsidiary, Axon Graphite Limited (Proposed ASX Code: AXG), which will undertake a \$15M to \$25M IPO and seek admission to ASX as a dedicated vertically-integrated mine to Battery Anode Material (BAM) product manufacturing company.

On 30 April 2024, Lithium Energy announced the sale of its interest in the Solaroz Project to a subsidiary of CNGR Advanced Materials Co Ltd for US\$63 Million (~A\$97 Million) cash; completion is subject to the satisfaction (or waiver, as applicable) of a number of conditions precedent, including receipt of Lithium Energy shareholder approval, receipt of regulatory approvals (in China and Argentina, as required) and receipt of environmental and concession related approvals relating to Solaroz.

Pending completion of the sale of Solaroz, Lithium Energy will focus on advancing the Axon Graphite IPO and continuing to advance operations at Solaroz, including securing the relevant approvals required to satisfy applicable conditions precedent to the sale.

Profiles of NOVONIX Nominees on the Board of Axon Graphite Limited

Admiral Robert J. Natter (U.S. Navy-Ret.)

Director

Qualifications Masters Degrees in both Business Management and International Relations; Graduate of the U.S. Naval Academy and the Naval War College and fifth recipient of the Naval War College Distinguished Graduate Leadership Award

Experience Robert J. Natter retired from active military service with the U.S. Navy in 2003 and has since served on a number of Boards and Advisory Panels in corporate and government, including on ASX-listed companies.

During his distinguished Navy career, Admiral Natter served as the Commander of the U.S. Seventh Fleet, controlling all U.S. Navy operations throughout the western Pacific and Indian Oceans. As a four-star Admiral, Natter was Commander in Chief of the U.S. Atlantic Fleet and the first Commander of U.S. Fleet Forces Command, overseeing all Continental U.S. Navy bases.

Admiral Natter has been a Non-Executive Director of Corporate Travel Management Limited (ASX:CTD) (2014 - 2020) and BAE Systems Inc. (U.S. subsidiary of BAE Systems plc) and is currently a Director of Allied Universal Security, a privately held international security company with over 750,000 employees worldwide-wide.

Other current directorships in listed entities Non-Executive Chairman of Novonix Limited (ASX:NVX) (since 14 July 2017)

Anthony G. Bellas

Director

Qualifications B.Econ, DipEd, MBA, FAICD, FCPA, FGS

Experience Mr Bellas has over 35 years of experience in the public and private sectors. Mr Bellas was previously CEO of the Seymour Group (one of Queensland's largest private investment and development companies), CEO of Ergon Energy Ltd (a Queensland Government-owned corporation involved in electricity distribution and retailing) and CEO of CS Energy Ltd (a Queensland Government-owned corporation and the State's largest electricity generation company, operating over 3,500 MW of gas-fired and coal-fired plant at four locations). Mr Bellas previously had a long career with Queensland Treasury, achieving the position of Deputy Under Treasurer.

Mr Bellas was also the inaugural Chairman of Corporate Travel Management Limited (ASX:CTD) (2010 - 2019), a Chairman and Director of ERM Power Ltd (former ASX:EPW; which was acquired by Shell in 2019) (2009 - 2019), Chairman of Shine Justice Limited (ASX:SHJ) (2013 - 2020) and Chairman of IntelliHR Limited (former ASX:IHR) (2016 - 2023).

Mr Bellas is a director of the ASX-listed companies shown below and is also a director of Healthcare Logic Global Ltd, Loch Explorations Pty Ltd, Green and Gold Minerals Pty Ltd and Burlington Mining Pty Ltd.

Other current directorships in listed entities Deputy Chairman/Non-Executive Director of Novonix Limited (ASX:NVX) (since 11 August 2015)
Deputy Chairman of State Gas Limited (ASX:GAS) (since 16 June 2017)
