

ASX ANNOUNCEMENT

3 June 2024

Chinese Regulatory Approvals Secured by CNGR to Acquire Solaroz Lithium Project

Lithium Energy Limited (ASX:LEL) (**Lithium Energy** or **Company**) refers to its announcement dated 30 April 2024 regarding the sale of Lithium Energy's 90% interest in the Solaroz Lithium Brine Project in Argentina (**Solaroz Project**) to CNGR Netherlands New Energy Technology B.V. (**CNNET**) for consideration totalling US\$63 Million (~A\$97 Million¹) cash (the **Sale**).²

CNNET is a subsidiary of Chinese listed CNGR Advanced Material Co Ltd (Shenzhen: 300919) (**CNGR**), one of the world's largest producers of precursors cathode active materials used by many leading companies in the battery materials supply chain.

Completion of the Sale will occur after 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 the Solaroz Project. The conditions precedent are to be satisfied (or waived, as applicable) within 6 months after the date of the Sale agreement (i.e. by 25 October 2024), which may be extended by 60 days by either party.

The Company is pleased to report that it has been advised by CNGR that all necessary Chinese ODI (overseas direct investment) and foreign exchange control regulatory approvals have now been received for the Sale.

The Board expects to convene a general meeting to seek shareholder approval (under ASX Listing Rule 11.2) for the proposed Sale, to be held in late July 2024.

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 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.

1 Based on an assumed exchange rate of US\$1.00 : A\$0.65

2 Refer LEL ASX Announcement dated 30 April 2024: Sale of Solaroz Lithium Project for A\$97 Million

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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.