

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 30 JUNE 2024

30 July 2024

HIGHLIGHTS

Solaroz Lithium Brine Project, Argentina

- Lithium Energy and CNGR, one of the world's largest producers of precursor materials for leading companies in the battery materials supply chain, have executed a share purchase agreement (26 April 2024) where CNGR will purchase the Company's 90% interest in the Solaroz Lithium Project for US\$63 Million (~A\$97 Million) cash. The sale price of ~A\$97 Million (excluding costs and taxes) is equivalent to ~A\$0.865 per share.
- The sale is subject to a number of conditions precedent including receipt of Lithium Energy shareholder approval at a General Meeting to be held on 8 August 2024 and receipt of regulatory approvals (in China and Argentina, as required) to be satisfied within 6 months of the agreement. CNGR have confirmed all necessary Chinese regulatory approvals have now been received for the sale. Completion is expected in Q4 2024.

Burke and Corella Graphite Projects, Queensland

- Lithium Energy and NOVONIX Limited (ASX:NVX) have entered into a share sale and purchase agreement (3 April 2024) to merge their adjoining Queensland Graphite Assets into spin-out company, Axon Graphite Limited (proposed ASX Code:AXG) (**Axon Graphite**), through an IPO, as a dedicated ASX-listed vertically-integrated mine to Battery Anode Material (**BAM**) manufacturing company.
- Axon Graphite plans to raise \$15 Million (a minimum subscription) to \$25 Million (maximum subscriptions) at an issue price of \$0.20 per share. Post successful completion of the Axon Graphite IPO (assuming a \$20 million raising), Lithium Energy and NOVONIX will each hold a 25% cornerstone equity holding in Axon Graphite.
- Eligible Lithium Energy and NOVONIX shareholders will be entitled to participate in a (pro-rata) priority offer of Axon Graphite IPO shares.
- The Axon Graphite IPO Prospectus is currently being finalised in preparation for lodgement with ASIC.

Future Activities (subject to completion of the sale of Solaroz and the Axon Graphite IPO)

- The Company will consider new investments principally in the battery minerals sector (i.e. lithium (brines and hard rock), copper, cobalt, vanadium, manganese and REE) and will prioritise projects located in Australia and North and South America - subject to the Company's compliance with the ASX Listing Rules, which may require, amongst other matters, the issue of a prospectus and making a fresh application for admission to ASX.
- The Company will consider returning part of the (net after-tax) sale proceeds, subject to an assessment of the taxation consequences (to shareholders) and the quantum of funds required to secure and develop the Company's new mineral projects.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

William Johnson
Executive Chairman

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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). Prior to the announced sale of the Solaroz Project (settlement pending), Lithium Energy had completed a Scoping Study on Solaroz and had been investigating the development of a 20/40ktpa lithium carbonate equivalent (LCE) production facility using conventional evaporation ponds; the Company has also been 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.

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.

Lithium Energy Limited (ASX:LEL) (**Lithium Energy or Company**) is pleased to report on activities completed during and subsequent to the quarter ending 30 June 2024.

PROJECTS

SOLAROZ LITHIUM BRINE PROJECT (ARGENTINA)

(90%)

Sale of Solaroz Project for US\$63 Million / ~A\$97 Million

As announced to ASX on 30 April 2024, Lithium Energy entered into a binding Share Sale Agreement (**Sale Agreement**) with CNGR Netherlands New Energy Technology B.V. (**CNNET**), a subsidiary of CNGR Advanced Material Co. Ltd. (Shenzhen Stock Exchange Code: 300919) (**CNGR**), in respect of the sale of the Company's 90% interest in the Argentinian company, Solaroz S.A. (which owns the Solaroz Lithium Brine Project) for consideration totalling US\$63 million (~A\$97 million¹) cash, which includes the assignment of a loan owed by Solaroz S.A. (**Solaroz**) to Lithium Energy (**Proposed Solaroz Sale**).²

In connection with the Proposed Solaroz Sale, CNNET has paid a US\$1.8 million (~A\$2.8 million) deposit to Lithium Energy, with the balance of the US\$61.2 million (~A\$94.1 million) consideration payable by CNNET as follows:

- (a) US\$53.7 million (~A\$82.6 million), payable at completion;
- (b) US\$3 million (~A\$4.6 million) to be transferred to a joint escrow account held for the benefit of both Lithium Energy and CNNET for a period of 2 years following the date of completion, to serve as security for Lithium Energy's performance under the Sale Agreement, after which it will be released to Lithium Energy; and
- (c) US\$4.5 million (~A\$6.9 million) deferred consideration payable by CNNET if the Benchmark Lithium Carbonate Price exceeds US\$23,000/tonne (averaged over any 4-month period in the 12 months following completion).

Completion will occur after the satisfaction (or waiver, as applicable) of a number of conditions precedent under the Sale Agreement (**Conditions**), including:

- (a) receipt of Lithium Energy shareholder approval for the purposes of ASX Listing Rule 11.2;
- (b) receipt of certain regulatory approvals (in China and Argentina, as required); and
- (c) receipt of environmental and concession related approvals relating to Solaroz.

The Conditions are required to be satisfied on or before 6 months after the date of the Sale Agreement (i.e. by 25 October 2024) and may be extended by 60 days by either party under the Sale Agreement.

CNNET and CNGR have advised the Company that it has received all necessary Chinese overseas direct investment and foreign exchange control regulatory approvals in relation to the Proposed Solaroz Sale.³

Further details of the proposed Sale, including a summary of the key terms of the SSA, are in Lithium Energy's:

- ASX Announcement dated 30 April 2024: Sale of Solaroz Lithium Project for A\$97 Million; and
- Notice of General Meeting and Explanatory Statement dated and released on ASX on 3 July 2024.

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

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

3 Refer LEL ASX Announcement dated 3 June 2024: Chinese Regulatory Approvals Secured by CNGR to Acquire Solaroz Lithium Project

Application of the ASX Listing Rules to the Proposed Solaroz Sale

ASX Listing Rule 11.2 requires a listed company to obtain the approval of its shareholders for a disposal of its main undertaking. ASX Listing Rule 11.2 applies to the Proposed Solaroz Sale. ASX has advised that:

- (a) in accordance with paragraph 4.7 of Guidance Note 12 (Significant Changes to Activities), the Company will be afforded a period of 6 months from the date of the Sale Agreement (being 26 April 2024) to demonstrate to the ASX that it is compliant with Listing Rule 12.1; and
- (b) it will suspend trading in the Company's securities if the Company has not demonstrated compliance with Listing Rule 12.1 to ASX's satisfaction at the end of the 6-month period (i.e. by 25 October 2024).

The Company's interest in Solaroz constitutes its main undertaking for the purpose of Listing Rule 11.2, Listing Rule 11.1.3 is likely to apply to any future acquisition by the Company, which may require Lithium Energy to re-comply with Chapters 1 and 2 of the ASX Listing Rules (which will involve, amongst other matters, the issue of a prospectus and making a fresh application for admission to ASX).

If completion is not likely to occur by 25 October 2024, the Company will apply to ASX to extend this 6-month period until the Proposed Solaroz Sale is complete (or the Sale Agreement is terminated by mutual agreement of the parties due to the failure to satisfy all Conditions (to the extent not waived, where applicable)). It is likely that the Company's shares will be immediately suspended from trading on ASX after completion, with the Company being required to re-comply with Chapters 1 and 2 of the ASX Listing Rules to be reinstated to quotation on ASX, unless Lithium Energy has satisfied ASX (pursuant to Listing Rule 12.1) that it has a sufficient level of operations to justify the continued quotation of its shares.

If Lithium Energy is unable to satisfy ASX in relation to Listing Rule 12.1, ASX will suspend trading in the Company's shares (from 28 October 2024, or, subject to ASX agreeing to grant an extension, the date of completion of the Proposed Solaroz Sale). Lithium Energy will remain suspended from ASX until it undertakes an acquisition and re-complies with Chapters 1 and 2 of the Listing Rules.

General Meeting to Seek Shareholder Approval of Proposed Solaroz Sale

The Company has convened a General Meeting to be held on 8 August 2024 to seek the required shareholder approval to the Proposed Solaroz Sale under and for the purposes of ASX Listing Rule 11.2.

Refer to the Company's Notice of General Meeting and Explanatory Statement dated and released on ASX on 3 July 2024 for further details, including:

- (a) Rationale for the Proposed Solaroz Sale;
- (b) Overview of CNET/CNGR;
- (c) Financial effects of Proposed Solaroz Sale;
- (d) Advantages and disadvantages of the Proposed Solaroz Sale;
- (e) Company intentions post-completion:
 - (i) Use of proceeds received from the Sale;
 - (ii) Future activities and business model;
 - (iii) Corporate group structure; and
 - (iv) Board and management; and
- (f) The consequences and implications of the passing or failure to pass the resolution.

Indicative timetable

An indicative timetable for shareholder approval and completion of the Proposed Solaroz Sale is set out below:

Event	Date
Execution of the Sale Agreement	26 April 2024
Issue of the Notice of Meeting to shareholders	3 July 2024
Meeting to approve the Proposed Solaroz Sale for the purposes of ASX Listing Rule 11.2	8 August 2024
Expected completion of Proposed Solaroz Sale under the Sale Agreement (should shareholder approval be obtained)	Q4 2024
Due date for satisfaction/waiver of conditions to the Proposed Solaroz Sale (6 months after the date of the Sale Agreement, which may be extended by 60 days by either party)	25 October 2024

Note: Some of the dates above (and references to those dates throughout the Notice of Meeting) are indicative only and are subject to (a) any changes that may be agreed between Lithium Energy and CNET/CNGR (b) any changes that may be agreed in consultation with the ASX or (c) delays caused by the satisfaction (or waiver, if applicable) of the Conditions to completion of the Proposed Solaroz Sale. The Company will update shareholders via the ASX market announcements platform and Lithium Energy's website as appropriate when the relevant events are reached, changed, or decisions made.

Environmental Approvals

Lithium Energy is seeking Environmental Impact Assessment (**EIA**) approval to support the next phase of exploration and evaluation field work on the Solaroz concessions, including drilling campaigns (for resource definition, resource expansion, water bores and pump test wells), hydrological studies to support groundwater modelling to define lithium brine extraction rates and to undertake process test work on relevant lithium brine samples. The securing of these EIA approvals is one of conditions precedent under the Sale Agreement.

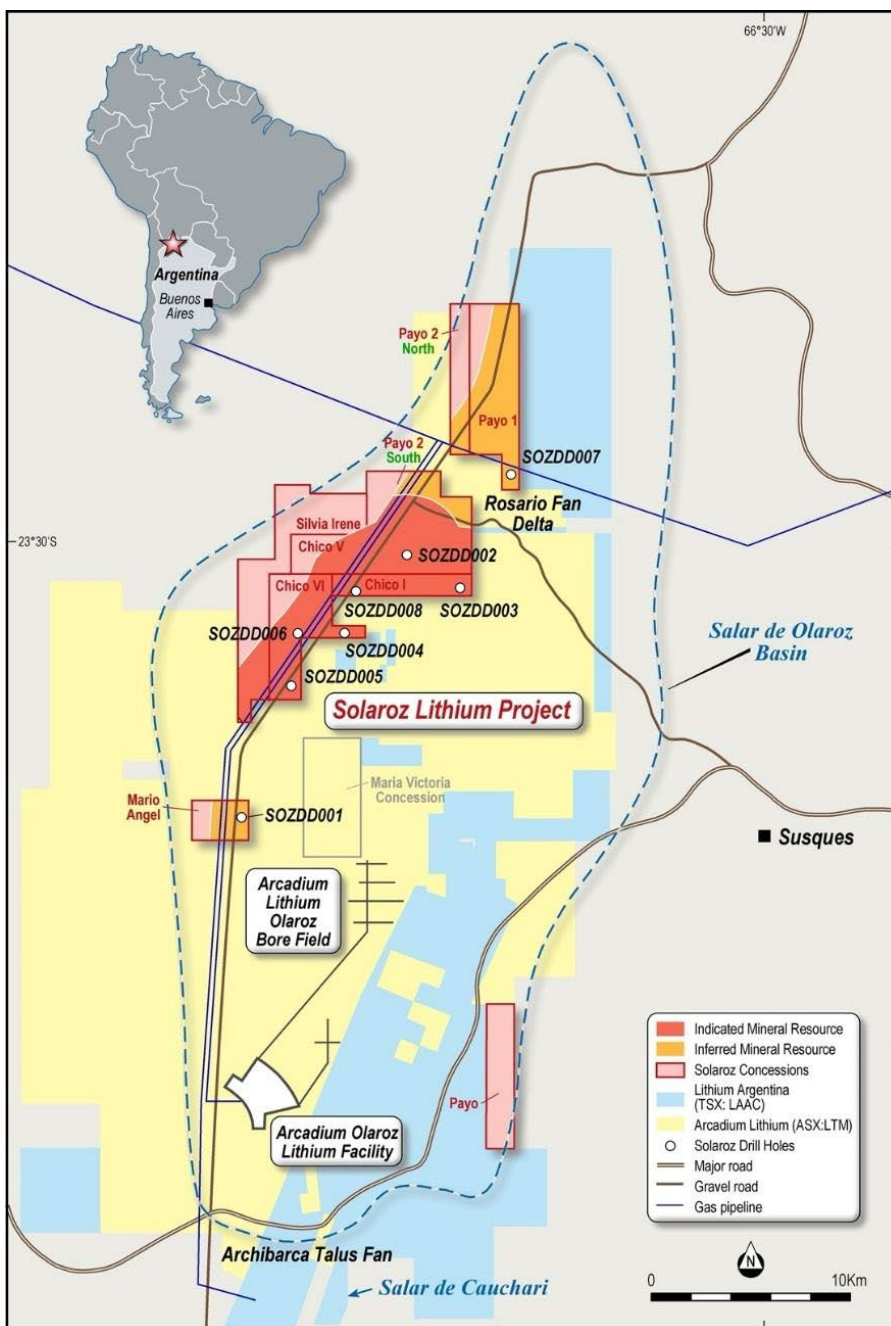
About Solaroz Lithium Brine Project (Argentina)

Lithium Energy’s 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 1) in the Salar de Olaroz basin (the **Olaroz Salar**).

The Solaroz Project is directly adjacent to two world class Lithium brine production assets - Arcadium Lithium plc’s (ASX:LTM)⁴ Olaroz Lithium Facility and Lithium Argentina Corporation’s⁵ (TSX:LAAC) Cauchari-Olaroz Facility.

The Solaroz Mineral Resource Estimate is **3.3Mt** Lithium Carbonate Equivalent (LCE) (refer Table 1).⁶ Within the 3.3Mt LCE Total Mineral Resource, there is a **high-grade core of 1.3Mt of LCE** with an average concentration of **400 mg/l Lithium** (refer Table 2).

This high-grade core underpins the October 2023 Scoping Study outcomes (with 20ktpa and 40ktpa LCE production) using conventional evaporation ponds processing.⁷



Solaroz Lithium Project, Argentina
Solaroz Concessions Location Plan
 www.lithiumenergy.com.au

Figure 1: Mineral Resource Areas within Solaroz Concessions (and Drillhole Locations) in Olaroz Salar (Adjacent to Arcadium Lithium and Lithium Argentina Concessions)

4 Arcadium Lithium plc (ASX/NYSE:LTM/ALTM) is the merged entity of Allkem Limited (former ASX:AKE) and Livent Corporation (NYSE:LTHM)
 5 Lithium Argentina was separated, under a reorganisation, from Lithium Americas Corporation (TSX:LAC), in October 2023
 6 Refer LEL Announcement dated 26 October 2023: Significant Solaroz Milestone Achieved with Upgrade to 2.4Mt LCE JORC Indicated Resource
 7 Refer LEL ASX Announcement dated 31 October 2023: Scoping Study Highlights Solaroz Potential as a Large Scale, Long Life, High Margin Lithium Project - the Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets in this announcement continue to apply and have not materially change

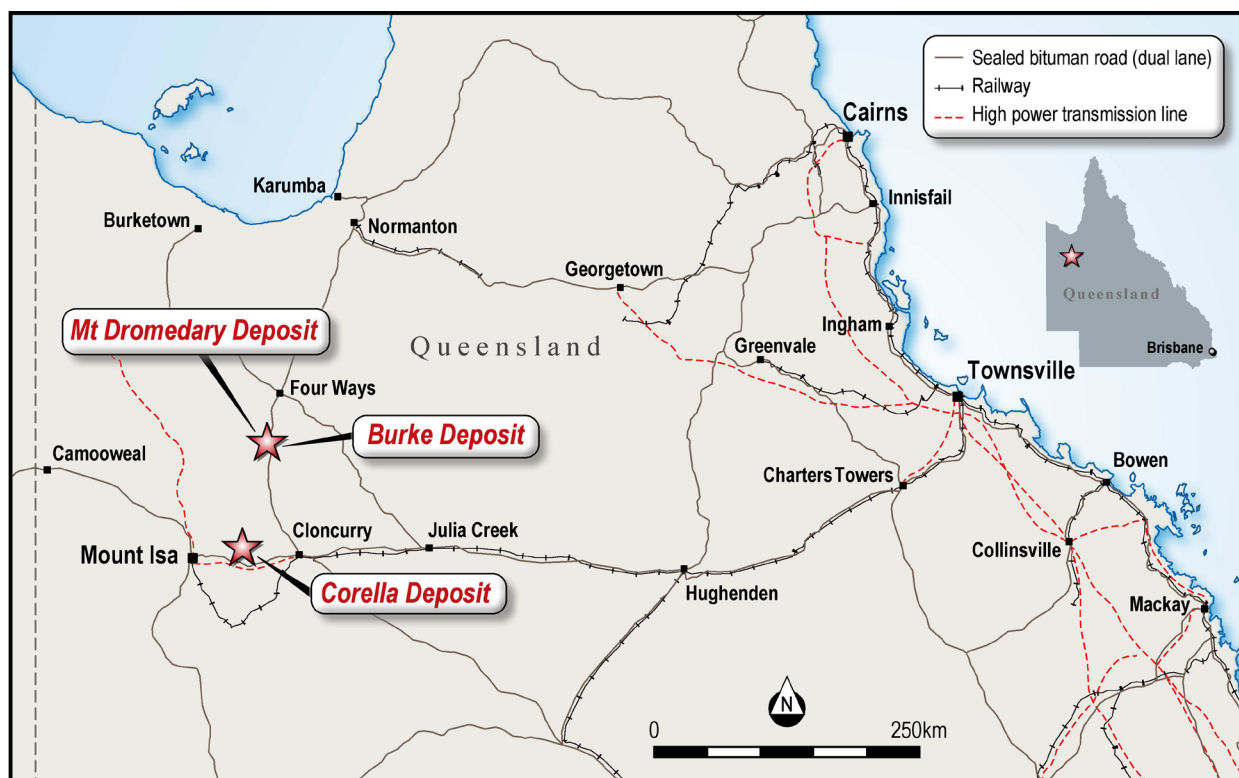
BURKE AND CORELLA GRAPHITE PROJECTS (QUEENSLAND, AUSTRALIA)

(100%)

Proposed Merger with NOVONIX’s Mt Dromedary Graphite Project (Queensland)

On 3 April 2024, Lithium Energy entered into a Share Sale and Purchase Agreement (**SPA**) with NOVONIX Limited (ASX:NVX) (**NOVONIX**) to acquire its high-grade Mt Dromedary Graphite Deposit, which is located directly adjacent to and is a continuation of the graphite mineralisation within the Company’s Burke Graphite Deposit, in Queensland (refer Figure 3).⁸

Lithium Energy and NOVONIX will spin-out their consolidated high-grade graphite assets via an Initial Public Offering (**IPO**) by Axon Graphite Limited (proposed ASX Code:AXG) (**Axon Graphite**) (currently a subsidiary of Lithium Energy) to form a distinct vertically integrated Battery Anode Material (**BAM**) business in Queensland, Australia (refer Figure 4).



Location of Burke, Mt Dromedary and Corella Graphite Projects, Queensland

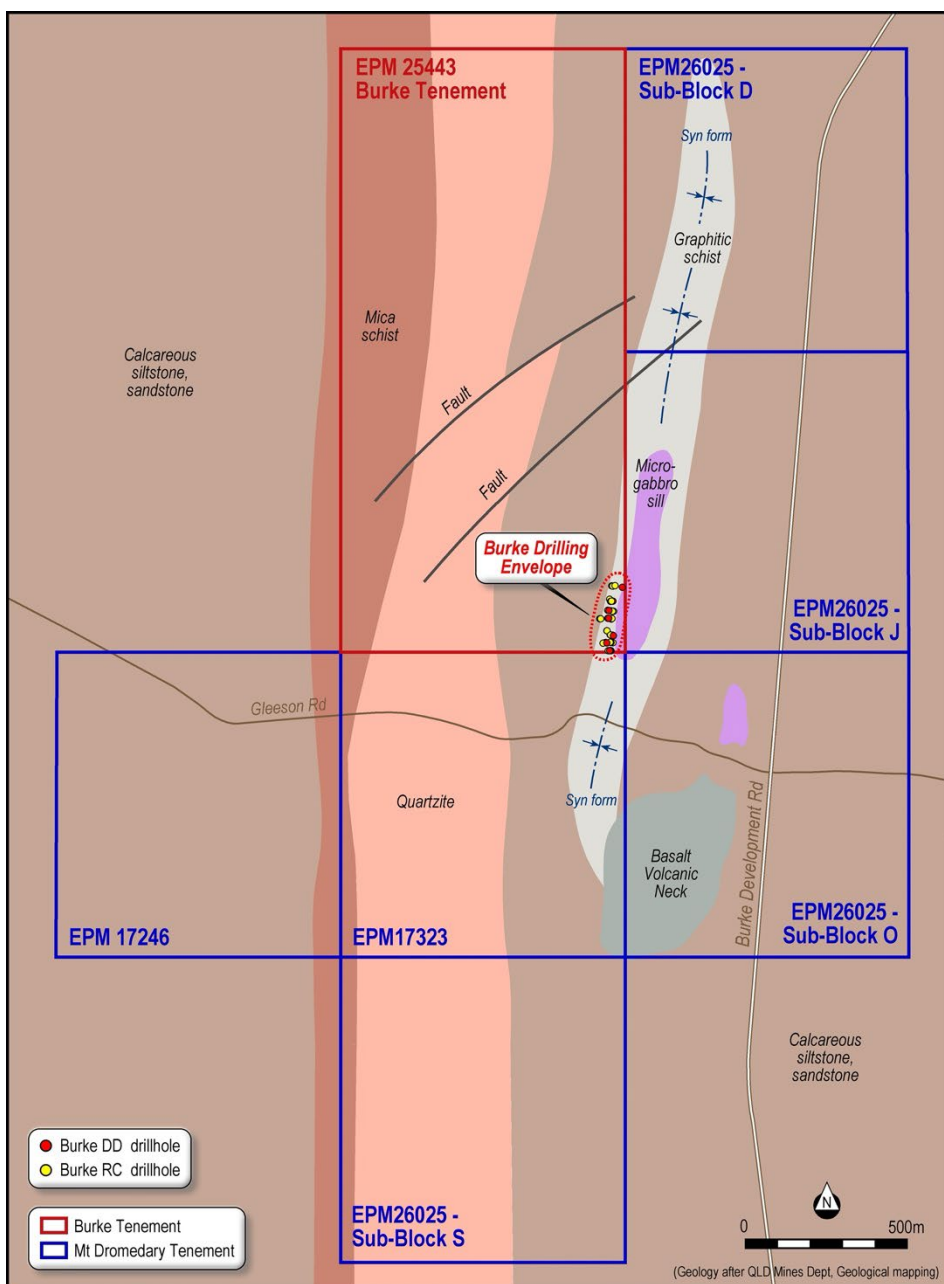
Figure 2: Location of Lithium Energy’s Burke and Corella Graphite Projects and NOVONIX’s Mt Dromedary Graphite Project in Queensland, Australia

⁸ 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

Axon Graphite’s initial combined graphite inventory will comprise:

- **Mt Dromedary Graphite Deposit** - total JORC Measured, Indicated and Inferred Graphite Mineral Resource as reported by NOVONIX ASX⁹;
- **Burke Graphite Deposit** - total JORC Indicated and Inferred Mineral Resource of 9.1Mt at 14.4% TGC for 1.31Mt of contained graphite¹⁰; and
- **Corella Graphite Deposit** – total Inferred Mineral Resource of 13.5Mt at 9.5% TGC for 1.3Mt of contained graphite¹¹.

Since the Mt Dromedary and Burke graphite deposits form part of the same graphite mineralisation zone, there is potential for significant operational synergies and economies of scale to be gained by combining these two deposits into a single mine.



**Drill Holes & Tenements
 Burke & Mt Dromedary Graphite Projects, Queensland**



*Figure 3: Burke & Mt Dromedary Graphite Projects:
 Tenements, Geology, Burke Drill Holes and Drilling Envelope*

9 Refer NVX ASX Announcements dated 3 April 2024: NOVONIX Limited and Lithium Energy Limited to Combine Natural Graphite Interests with Intention to Take Combined Business Public and 20 October 2016: Upgraded Independent JORC Mineral Resource Estimate

10 Refer LEL ASX Announcement dated 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

11 Refer LEL ASX Announcement dated 16 June 2023: Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory

Terms of Proposed Merger

The merger will be effected through Axon Graphite acquiring NOVONIX's wholly-owned subsidiary, MD South Tenements Pty Ltd (**MDSTPL**), which in turn holds the tenement interests comprising the Mt Dromedary Graphite Project. The tenements comprising the Burke and Corella Graphite Projects are held by Burke Minerals Pty Ltd (**BMPL**), which is a wholly-owned subsidiary of Axon Graphite.

The SPA is conditional upon the following matters:

- Completion of due diligence to the satisfaction of both parties and the issue of notices to proceed with the SPA, which was confirmed as announced on 16 May 2024¹²;
- The receipt of all necessary regulatory consents and approvals under the *Mineral Resources Act 1989* (Queensland) relating to the transfer and assignment of the relevant mining interests held by NOVONIX to Axon Graphite (as applicable) – the parties do not believe that any such regulatory consents and approvals are required; and
- Completion of the Axon Graphite IPO and receipt of a decision from the ASX confirming (subject to the conditions therein) the admission of the company to the official list of the ASX and the quotation of the company's securities on ASX within 6 months of the date of the Agreement (i.e. by on or about 2 October 2024).

Lithium Energy and NOVONIX have also entered into an IPO Funding Deed to jointly fund the costs of the Axon Graphite IPO and the ASX admission processes, to be repaid by Axon Graphite from the IPO proceeds.

Further details of the proposed merger, including a summary of the key terms of the SPA, are in Lithium Energy's ASX Announcement dated 3 April 2024: Merger of Lithium Energy and NOVONIX Natural Graphite Assets and Proposed Axon Graphite Limited Spin-Out and IPO.

Axon Graphite Board of Directors and CEO

On 26 July 2024, Lithium Energy announced the finalisation of the composition of the Axon Graphite Board of Directors and its proposed Chief Executive Officer (**CEO**)¹³:

- **Mr Peter Turnbull AM** (LLB and BCom (*Melbourne*), FGIA (Life), FAICD, FCG) has been appointed as independent **Non-Executive Chair** - Mr Turnbull has significant senior executive and non-executive experience gained in publicly listed, private and government owned organisations, including senior executive positions with ASX Top 50 companies and roles with ASIC. Mr Turnbull is a former President and current Life Member of the Governance Institute of Australia and past President of the global Chartered Governance Institute and in June 2020, was made a Member of the Order of Australia for significant service to business administration, and to corporate governance institutes. Mr Turnbull brings to the Axon Graphite Board significant commercial, legal and governance experience as well as an entrepreneurial focus on the commercialisation of leading-edge technologies and assisting earlier stage companies to plan and grow.
- **Mr Anthony Bellas** (B.Econ, DipEd, MBA, FAICD, FCPA, FGS) has been appointed an **Executive Director** – Mr Bellas is the Deputy Non-Executive Chair of NOVONIX. Mr Bellas has over 35 years of experience in the public and private sectors, including as 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 and the State's largest electricity generation company) and as Chair of ASX-listed companies, Corporate Travel Management Limited (ASX:CTD), ERM Power Ltd (former ASX:EPW), Shine Justice Limited (ASX:SHJ) and IntelliHR Limited (former ASX:IHR).

¹² Refer LEL ASX Announcement dated 16 May 2024: Update on Merger of Graphite Assets and Axon Graphite Limited IPO

¹³ Refer LEL ASX Announcement dated 26 July 2024: Update on Axon Graphite IPO – Details of Board and CEO

- **Mr Farooq Khan** (Bjuris, LLB (*Western Australia*)) has been appointed an **Executive Director** – Mr Khan is an Executive Director of Lithium Energy. Mr Khan is a qualified lawyer and has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector.
- **Dr J. Christopher Burns** (BSc., MSc., PhD)¹⁴ has been appointed **Non-Executive Director** – Dr Burns is the CEO of NOVONIX. Dr Burns has over 15 years of experience in the battery materials and technology sector and co-founded NOVONIX (a company manufacturing ultra-high precision charger systems for battery research and manufacturing labs around the world), which merged with Graphitecorp Limited (former ASX:GRA) in 2017 to become NOVONIX Limited (ASX:NVX). Dr Burns has also worked at Tesla Motors from 2015-2017 leading a team focused on battery and material testing for use in Tesla’s vehicle and energy storage products.
- **Mr William Johnson** (BA, MA (*Oxon*), MBA, MAICD) has been appointed **Non-Executive Director** – Mr Johnson is Executive Chair of Lithium Energy. Mr Johnson’s 40-year business career spans multiple industries and countries, with executive/CEO experience in mineral exploration and investment, telecommunications infrastructure investment and information technology and internet ventures. Mr Johnson is a highly experienced public company director and has considerable depth of experience in corporate governance, business strategy and operations, investment analysis, finance and execution.
- **Mr Graham Fyfe** (BSc (Chemical Engineering) (*Kwazulu Natal*), AusIMM) has been appointed **CEO** – Mr Fyfe is currently the General Manager, Projects, of Lithium Energy. Mr Fyfe has over 31 years of experience in the mining and commodities processing industry, with an in-depth understanding of the full project development and value cycle, from scoping studies through all phases of project development and commissioning to operations across a number of projects in Africa and Australia, including roles with Wood Australia, Minnovo, Fluor, Murray and Roberts Engineering Solutions and Calibre Global.
- **Mr Victor Ho** (BCom, LLB (*Western Australia*), CTA) has been appointed **Company Secretary** – Mr Ho is the Company Secretary of Lithium Energy. Mr Ho has been in Executive roles with a number of ASX-listed companies across the investments, resources and technology sectors over the past 24+ years and has extensive experience in the structuring and execution of a number of corporate, M&A and international joint venture transactions, capital raisings, resources project (debt) financing, spin-outs/demergers and IPO’s/re-listings on ASX, capital management initiatives, public company administration, corporations law, ASIC/ASX compliance and investor/shareholder relations.

Axon Graphite has an experienced Board and management team with a track record of successfully developing graphite projects through exploration, discovery and Mineral Resource delineation and upgrades and which is well credentialed to advance the development of Axon Graphite’s projects following completion of its IPO as Axon Graphite seeks to advance its status from a graphite exploration and evaluation company into a graphite miner and BAM producer.

The profiles of Axon Graphite’s Directors and Senior Management are in Lithium Energy’s ASX Announcement dated 26 July 2024: Update on Axon Graphite IPO – Details of Board and CEO.

14 Dr Burns replaced Admiral Robert Natter (US Navy, Ret.) as NOVONIX’s nominee on the Axon Graphite Board on 31 May 2024

Proposed Axon Graphite Limited Spin-Out and IPO

The key terms of the proposed IPO of Axon Graphite are as follows:

- Axon Graphite plans to raise a minimum subscription of \$15 Million and a maximum subscription of \$25 Million at an issue price of \$0.20 per share.
- Australian institutional stockbroking firm, Petra Capital has been appointed Lead Manager of the IPO.
- Eligible Lithium Energy and NOVONIX shareholders will be entitled to participate in a (pro-rata) Priority Offer under the IPO Prospectus. Any shortfall in applications lodged by eligible Lithium Energy and NOVONIX shareholders under the Priority Offers will form a pool of shares available to the general public under the Public Offer. Further details about the Priority Offers are set out in Annexure E (which are subject to final terms as outlined in the Prospectus) of Lithium Energy's ASX Announcement dated 3 April 2024: Merger of Lithium Energy and NOVONIX Natural Graphite Assets and Proposed Axon Graphite Limited Spin-Out and IPO.
- Lithium Energy and NOVONIX will each hold a 22.2% to 28.6% cornerstone equity holding in Axon Graphite with such shareholdings likely to be subject to a 2 year escrow period as required under ASX Listing Rules - refer Pro-Forma Axon Graphite Capital Structure in Lithium Energy's ASX Announcement dated 3 April 2024: Merger of Lithium Energy and NOVONIX Natural Graphite Assets and Proposed Axon Graphite Limited Spin-Out and IPO.

Further details of the proposed Axon Graphite IPO are also in Lithium Energy's ASX Announcement dated 3 April 2024: Merger of Lithium Energy and NOVONIX Natural Graphite Assets and Proposed Axon Graphite Limited Spin-Out and IPO.

The Prospectus for the (\$15 Million to \$25 Million) IPO of Axon Graphite is currently being finalised in preparation for lodgement with ASIC.

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.

About Burke and Corella Graphite Projects

Lithium Energy's (100% owned) graphite projects are located in the Cloncurry region in North Central Queensland (refer Figures 2 and 3):

- (1) The Burke Graphite Project comprises EPM 25443 (the **Burke Tenement** or **Burke**) (of ~6.47km²), located ~130km by road north of Cloncurry, adjacent to the Burke Development Road and adjacent to the Mt Dromedary Graphite Project held by NOVONIX; and
- (2) The Corella Graphite Project comprises EPM 25696 (the **Corella Tenement** or **Corella**) (of ~19.41km²), located ~40km by road west of Cloncurry and ~170km by road south of the Burke/Mt Dromedary Tenements, adjacent to the Barkly Highway that links Mount Isa to Cloncurry.

The projects have access to well-developed transport infrastructure, including airports at Cloncurry and Mount Isa (located ~250km by road from Burke) and a Port in Townsville (located ~783km by road or rail from Cloncurry) (refer to Figure 2).

Lithium Energy has previously succeeded in doubling its Total Graphite Inventory to 2.6Mt of contained graphite across the Corella and Burke tenements, with the delineation of a maiden JORC Inferred Mineral Resource Estimate of 13.5Mt at 9.5% TGC for 1.3Mt contained graphite at Corella Tenement¹⁵ and an upgrade of the Burke Tenement deposit to a total JORC Indicated and Inferred Mineral Resource of 9.1Mt at 14.4% TGC for a total of 1.3Mt contained graphite¹⁶.

Axon Graphite Battery Anode Material (BAM) Manufacturing Business Strategy

The focus of Axon Graphite is to advance its status from a graphite exploration and evaluation company to a graphite miner and BAM producer through the commercial exploitation of its Burke/Mt Dromedary and Corella Graphite Projects.

Axon Graphite intends to evaluate the potential development of a vertically integrated BAM business through the establishment of a BAM manufacturing facility in Queensland (**BAM Facility**), fed by high quality graphite to be mined and concentrated from the company's high-grade Burke/Mt Dromedary and Corella Graphite Deposits.

Axon Graphite envisages mining graphite initially from the combined Mt Dromedary and Burke Deposits and producing a +95% TGC graphite flake concentrate at the mine site. The graphite flake concentrate will then be transported to a BAM Facility for processing. The BAM Facility is expected to firstly mechanically shape and spheronise the flakes followed by chemical purification to form spherical purified graphite (**SPG**), which could be additionally surface coated to produce coated spherical purified graphite (**CSPG**), which are both high quality BAM products. It is proposed that these SPG or CSPG products will be sold as a battery anode material for use in the manufacturing of lithium-ion batteries or battery energy storage solutions.

After the completion of the IPO, Axon Graphite will advance a BAM development strategy taking into account the much larger graphite inventory, expected operational synergies and economies of scale be gained by combining the Burke and Mt Dromedary Graphite Deposits. To this end, Axon Graphite also intends to apply a portion of the funds raised under the IPO towards the design, construction and operation of a BAM Pilot Plant.

15 Refer LEL ASX Announcements dated 16 June 2023: Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory, 17 April 2023: Completion of Drilling Programme at Corella Graphite Prospect and 2 June 2023: Significant High Grade Graphite Discovery at the Corella Project

16 Refer LEL ASX Announcements dated 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence, 22 February 2023: Update – Infill Drilling Results at Burke Graphite Deposit and 16 February 2023: Significant High Grade Graphite Intercepts Continue at Burke Graphite Deposit

The Battery Anode Material (BAM) Strategy

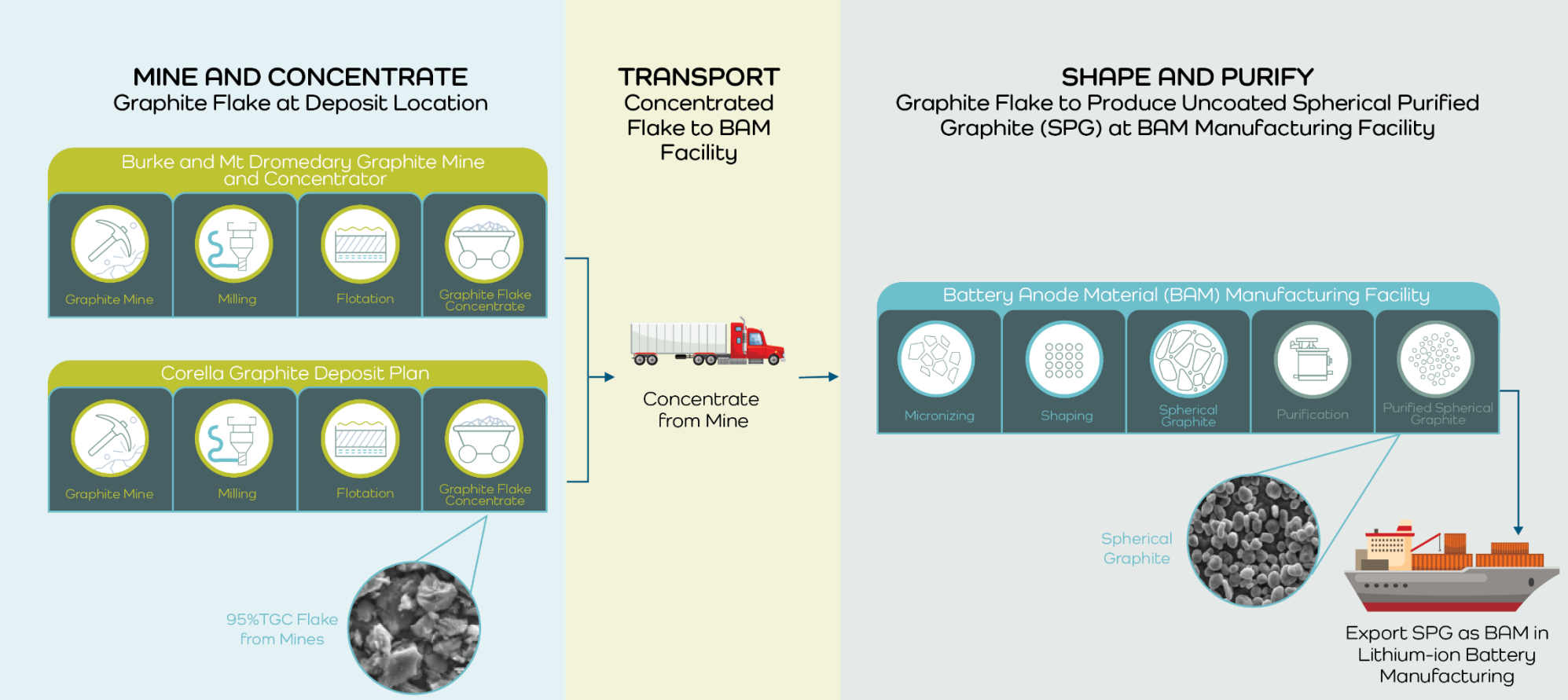


Figure 4: Illustrative Vertically Integrated Operations from Graphite Mine to Production of BAM Product

CORPORATE

Current and Future Activities

If shareholders approve the Proposed Solaroz Sale (at the General Meeting on 8 August 2024) and completion of such sale occurs, Lithium Energy's future activities will depend in part on whether the Axon Graphite IPO is successful and the application of the ASX Listing Rules in relation to the Company's ongoing operations (as referred to above):

- (a) If the Axon Graphite IPO is successful:
- (i) Lithium Energy will consider the acquisition of battery mineral projects building upon the expertise developed in this sector by the Company, with a particular focus on lithium (brines and hard rock), copper, cobalt, vanadium, manganese and rare earth elements (REE). The Company will investigate the full spectrum of potential opportunities from grass roots exploration projects to advanced production or near production assets that present significant value accretive upside. If deemed suitable, the Company will also look to invest in related mineral commodities if they meet similar acceptable project metrics. The Company will prioritise projects located in Australia and North and South America.

In this scenario, the Company considers that ASX will require Lithium Energy to re-comply with Chapters 1 and 2 of the ASX Listing Rules, which will involve, amongst other matters, the issue of a prospectus and making a fresh application for admission to ASX. Accordingly, any material acquisition(s) will be subject to the Company's re-compliance with the ASX Listing Rules.

- (ii) The Company will consider returning part of the (net after-tax) sale proceeds from the Proposed Solaroz Sale to shareholders, subject to an assessment of the taxation consequences (to shareholders) and the quantum of funds required to secure and develop the Company's new mineral projects.

- (b) If the Axon Graphite IPO has not been successful in raising the funds required under the IPO:

- (i) Lithium Energy will apply part of the net sale proceeds from the Proposed Solaroz Sale to advance the development of its own Burke and Corella Graphite Projects in Queensland to create a vertically-integrated mine to BAM manufacturing facility in Queensland, as was originally contemplated prior to entering into the agreement with NOVONIX to proceed with the Axon Graphite IPO.

In this scenario, the Company considers that the advancement of the Axon Graphite Projects will provide a sufficient level of operations to justify the continued quotation of its securities (pursuant to ASX Listing Rule 12.1), without the Company having to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

- (ii) The Company will consider returning part of the (net after-tax) sale proceeds from the Proposed Solaroz Sale to shareholders, subject to an assessment of the taxation consequences (to shareholders) and the quantum of funds required to advance the development of the Axon Graphite Projects.

Pending completion of the Proposed Solaroz Sale, Lithium Energy will:

- (a) Focus on securing the relevant approvals required to satisfy applicable Conditions under the Sale Agreement;
- (b) Focus on advancing the Axon Graphite IPO;
- (c) Investigate investment opportunities principally in the battery mineral projects sector in Australia and overseas – the Board has considerable experience in the exploitation of resource projects and Lithium Energy will pursue investments in battery minerals/commodities the Board feels is appropriate for mineral exploration, evaluation and development. As noted above, it is likely that any future acquisitions by Lithium Energy will require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules; and
- (d) (Upon the successful completion of the Axon Graphite IPO) Retain a 50 million share cornerstone equity holding in Axon Graphite (comprising between 22.2% to 28.6% of Axon Graphite, depending on the final quantum of funds raised under the IPO) with such shareholding likely to be subject to a 2-year escrow period as required under ASX Listing Rules.

Exercise of Options

During the quarter, 4 million new shares were issued by the Company on the exercise of a total of 4 million unlisted options:

Class of Unlisted Options	Exercise Price	Expiry Date	Exercise Date	No. Options Exercised	No. Shares Issued on Exercise of Options
Broker Options (\$0.30, 4 May 2024) ¹⁷	\$0.30	4 May 2024	8 April 2024	4,000,000	4,000,000 ¹⁸

The Company received \$1,200,000 on the exercise of the 4,000,000 Broker Options (\$0.30, 4 May 2024).

Securities on Issue (30 June 2024)

Class of Security	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	112,001,569	-	112,001,569
Executive Options (\$1.39, 29 Nov 2024) ¹⁹	-	3,500,000	3,500,000
Securities Incentive Plan (SIP) ²⁰ Options (\$1.595, 15 February 2025) ²¹	-	100,000	100,000
Broker Options (\$1.50, 20 September 2025) ²²	-	750,000	750,000
Executive Options (\$1.06, 4 October 2025) ²³	-	17,500,000	17,500,000
SIP Options (\$1.32, 30 November 2025) ²⁴	-	400,000	400,000
Executive Options (\$0.935, 10 August 2026) ²⁵	-	250,000	250,000
TOTAL	112,001,569	22,500,000	134,501,569

17 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

18 Refer LEL ASX Announcement dated 9 April 2024: Application for quotation of securities - LEL

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 Notice of Annual General Meeting and Explanatory Statement dated 12 September 2023; summary of the Plan is also in Annexure A to the Explanatory Statement.

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

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

23 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

24 Refer LEL Announcement dated 5 December 2022: Notification regarding unquoted securities – LEL

25 Refer LEL Announcement dated 16 August 2023: Notification regarding unquoted securities – LEL

Summary of Expenditure Incurred²⁶

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: \$'000		
	Operating	Investing	Total
For Quarter ending 30 June 2024			
Exploration and evaluation expenditure and tenements	-	910	910
Personnel expenses	314	-	314
Occupancy expenses	21	-	21
Corporate expenses	312	-	312
Administration expenses	48	-	48
	Total Expenditure	910	1,605

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

Payments to Related Parties²⁷

During the quarter, Lithium Energy paid a total of \$181k 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.

²⁶ Per ASX Listing Rule 5.3.1

²⁷ Per ASX Listing Rule 5.3.5

MINERAL RESOURCE ESTIMATES

Solaroz Lithium Brine Project (Argentina)

(90%)

Solaroz has an upgraded JORC Mineral Resource as follows²⁸:

- **Total Mineral Resource of 3.3Mt LCE** (at a zero Li mg/l cut-off grade), comprising:
 - **Indicated Mineral Resource of 2.36Mt LCE**; and
 - **Inferred Mineral Resource of 0.9Mt LCE**.
- Within the 3.3Mt LCE Total Mineral Resource, there is a **high-grade core of 1.3Mt of LCE** with an **average concentration of 400 mg/l Lithium** (at a 320 mg/l Li cut-off grade).

Table 1: Upgraded Total JORC Indicated and Inferred Mineral Resource

Mineral Resource Category	Lithology Units	Sediment Volume (million m ³)	Specific Yield %	Brine volume	Lithium (Li)		LCE Tonnes
				million m ³	mg/l	Tonnes	
Indicated Mineral Resource	A (Upper Aquifer)	7,200	10.0%	720	245	176,600	940,000
	B (Halite Salt Unit)	1,731	4.0%	69	340	23,600	125,000
	C (Lower Aquifer)	4,671	6.5%	304	363	110,000	590,000
	D (Tertiary Bedrock)	5,651	5.8%	328	406	133,000	705,000
	Total	19,253	7.4%	1,421	312	443,200	2,360,000
Inferred Mineral Resource	A	3,589	10.0%	359	245	88,000	470,000
	B	3,060	4.0%	122	340	42,000	220,000
	C	1,058	6.5%	69	362	25,000	130,000
	D	634	5.8%	37	405	15,000	80,000
	Total	8,340	7.0%	587	289	170,000	900,000
TOTAL INDICATED & INFERRRED MINERAL RESOURCE			7.3%		305		3,260,000

Notes:

- (a) The Indicated Mineral Resource Estimate encompasses the Chico I, Chico V, Chico VI, Payo 2 South and Silvia Irene (Central Block) concessions
- (b) The Inferred Mineral Resource Estimate encompasses the Mario Angel, Payo 2 South and Silvia Irene, Payo 1 and Payo 2 North concessions, and is in addition to the Indicated Mineral Resource Estimate
- (c) Lithium (Li) is converted to lithium carbonate (Li₂CO₃) equivalent (LCE) using a conversion factor of 5.323
- (d) Totals may differ due to rounding
- (e) Reported at a zero Lithium mg/l cut-off grade
- (f) Total Specific Yields are weighted averages

²⁸ Refer to ASX Announcement dated 26 October 2023: Significant Solaroz Milestone Achieved with Upgrade to 2.4Mt LCE JORC Indicated Resource

Table 2: Upgraded High-Grade Core within Total JORC Indicated and Inferred Mineral Resource

Mineral Resource Category	Lithology Units	Sediment Volume (million m ³)	Specific Yield %	Brine volume	Lithium (Li)		LCE Tonnes
				million m ³	mg/l	Tonnes	
Indicated Mineral Resource	A	878	10.0%	88	349	30,000	165,000
	B	1,289	4.0%	52	357	18,000	100,000
	C	3,288	5.6%	183	401	75,000	390,000
	D	4,881	4.8%	235	425	100,000	530,000
	Total	10,337	5.2%	557	400	223,000	1,185,000
Inferred Mineral Resource	B	92	4.0%	4	418	1,500	8,000
	C	436	5.7%	25	401	10,000	53,000
	D	109	4.9%	5	405	2,000	12,000
	Total	637	5.3%	34	403	13,500	73,000
TOTAL INDICATED & INFERRED MINERAL RESOURCE (HIGH-GRADE CORE)			5.2%		400		1,258,000

Notes:

- The high-grade core comprises JORC Indicated and Inferred Mineral Resources estimated within the mineralisation envelope of (not in addition to) the Mineral Resource Estimates outlined in Table 1
- The Indicated Mineral Resource encompasses the Chico I, Chico V, Chico VI, Payo 2 South and Silvia Irene (Central Block) concessions
- The inferred Mineral Resource encompasses the southern Mario Angel (Units B and C) and Payo 1 and Payo 2 North (Northern Block) (Unit D) concessions, and is in addition to the Indicated Mineral Resource Estimate
- Reported at a 320 mg/l Lithium cut-off grade
- Refer Notes (c) and (d) of Table 1

Burke Graphite Project (Queensland, Australia)

(100%)

An infill drilling programme (completed in January 2023)²⁹ on the Burke Tenement has delivered a significant increase in the size and confidence of the JORC Mineral Resource Estimate (**Burke Deposit**):

- Total Mineral Resource of 9.1Mt at 14.4% Total Graphitic Carbon (TGC) for a total of 1.3Mt contained graphite** (at a 5% TGC cut-off grade), comprising:
 - Indicated Mineral Resource of 4.5Mt at 14.7% TGC for 670kt of contained graphite**; and
 - Inferred Mineral Resource of 4.5Mt at 14.2% TGC for 640kt of contained graphite.**
- Within the mineralisation envelope there is included a higher grade **Total Mineral Resource of 7.1Mt at 16.2% TGC for 1.1Mt of contained graphite** (at a 10% TGC cut-off grade).³⁰

²⁹ Refer to ASX Announcements dated 22 February 2023: Update – Infill Drilling Results at Burke Graphite Deposit and 16 February 2023: Significant High Grade Graphite Intercepts Continue at Burke Graphite Deposit

³⁰ Refer Mineral Resource estimates at different %TGC cut-off grades reported in Table 2 of LEL ASX Announcement dated 5 April 2023: Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence

Table 3: Burke Tenement - JORC Indicated and Inferred Mineral Resource Estimate

Mineral Resource Category	Weathering State	Resource (Mt)	Total Graphitic Carbon (TGC) (%)	Contained Graphite (kt)
Indicated Mineral Resource	Weathered	0.2	12.5	30
	Primary	4.3	14.8	640
	Sub-total	4.5	14.7	670
Inferred Mineral Resource	Weathered	0.1	8.1	10
	Primary	4.4	14.4	630
	Sub-total	4.5	14.2	640
Total Indicated and Inferred Mineral Resource	Weathered	0.3	11.1	40
	Primary	8.7	14.6	1,270
	TOTAL	9.1	14.4	1,310

Notes:

- (a) Mineral Resource estimates are reported above a cut-off grade of 5% TGC; Mineral Resources reported on a dry in-situ basis; Totals may differ due to rounding.
- (b) For further details, refer to the Company's ASX Announcement dated 5 April 2023 entitled "Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence".

Corella Graphite Project (Queensland, Australia)

(100%)

A maiden resource definition drilling programme (completed in April 2023³¹) on the Corella Tenement has delivered a maiden JORC Inferred Mineral Resource Estimate (**Corella Graphite Deposit**):

- Inferred Mineral Resource delivers **13.5Mt at 9.5% TGC** for **1.3Mt contained graphite** (at a 5% TGC cut-off grade).
- Within the mineralisation envelope, there is included a higher grade Inferred Mineral Resource of **4.5Mt at 12.7% TGC** for 0.57Mt of contained graphite (at a 10% TGC cut-off grade).³²

Table 4: Corella Tenement - JORC Inferred Mineral Resource Estimate

Mineral Resource Category	Weathering State	Resource (Mt)	TGC (%)	Contained Graphite (kt)
Inferred Mineral Resource	Weathered	4.5	9.7	440
	Primary	9.0	9.3	840
	TOTAL	13.5	9.5	1,280

Notes:

- (a) Mineral Resource estimates are reported above a cut-off grade of 5% TGC; Mineral Resources reported on a dry in-situ basis; Totals may differ due to rounding.
- (b) For further details, refer to the Company's ASX Announcement dated 16 June 2023 entitled "Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory"

³¹ Refer to ASX Announcements dated 17 April 2023: Completion of Drilling Programme at Corella Graphite Prospect and 2 June 2023: Significant High Grade Graphite Discovery at the Corella Project

³² Refer Mineral Resource estimates at different %TGC cut-off grades reported in Table 3 of LEL ASX Announcement 16 June 2023: Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory

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%)

Concession Group	Tenement Name	Area (Ha)	Province	File No
Northern Block	Payo 1	1,973	Jujuy	1516-M-2010
	Payo 2 (North)	758	Jujuy	1515-M-2010
Central Block	Payo 2 (South)	1,435	Jujuy	1229-M-2009
	Chico I	835	Jujuy	1312-M-2009
	Chico V	1,800	Jujuy	1313-M-2009
	Chico VI	1,400	Jujuy	1706-S-2011
Southern Block	Silvia Irene	2,465	Jujuy	1707-S-2011
	Mario Ángel	543	Jujuy	1514-M-2010
	Payo	990	Jujuy	

Burke and Corella Graphite Projects (Queensland, Australia) (100%)

Tenement Name	Tenement Type and No.	Grant Date	Expiry Date	Area (blocks)	Area (km ²)
Burke	EPM 25443	4/9/2014	3/9/2024	2 sub-blocks	6.47
Corella	EPM 25696	2/4/2015	1/4/2025	6 sub-blocks	19.41
Leichhardt Crossing	EPM 28715	12/4/2023	11/4/2028	30-sub-blocks	97.05

- EPM means Exploration Permit for Minerals
- Each sub-block is 3.235 square kilometres (using projected coordinate system GDA2020 / MGA zone 54)

JORC CODE COMPETENT PERSON'S STATEMENTS

Solaroz Lithium Brine Project (Argentina)

(1) The information in this document that relates to Mineral Resources (and the interpretation and reporting of Exploration Results related thereto) in relation to the Solaroz Lithium Brine Project is extracted from the following ASX market announcements made by Lithium Energy Limited dated:

- 26 October 2023 entitled "Significant Solaroz Milestone Achieved with Upgrade to 2.4Mt LCE JORC Indicated Resource"
- 29 June 2023 entitled "Significant Maiden JORC Lithium Resource of 3.3Mt LCE at Solaroz Project in Argentina"

The information in the original announcements is based on information compiled by Mr Murray Brooker (MAIG, MIAH), a Competent Person who is a Member of Member of the Australian Institute of Geoscientists (AIG). Mr Brooker is an employee of Hydrominex Geoscience Pty Ltd, an independent consultant to Lithium Energy Limited. Mr Brooker has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 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 announcements (referred to above).

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

- 15 January 2024 entitled "Battery Grade Lithium Carbonate Successfully Produced from Solaroz Brine"
- 31 October 2023 entitled "Quarterly Activities and Cash Flow Reports - 30 September 2023"
- 26 October 2023 entitled "Significant Solaroz Milestone Achieved with Upgrade to 2.4Mt LCE JORC Indicated Resource"
- 29 August 2023 entitled "Lithium Mineralisation Encountered in Northern Solaroz Concession"
- 31 July 2023 entitled "Quarterly Activities and Cash Flow Reports – 30 June 2023"
- 27 July 2023 entitled "Highest Lithium Concentrations Encountered at Solaroz Lithium Project in Hole 6"
- 29 June 2023 entitled "Significant Maiden JORC Lithium Resource of 3.3Mt LCE at Solaroz Project in Argentina"
- 15 May 2023 entitled "Further Assays Confirm Significant Lithium Brine Concentrations Across Massive Intersections at Solaroz"

The information in the original announcements is based on information compiled by Mr Peter Smith (BSc (Geophysics) (Sydney) AIG ASEG), a Competent Person who is a Member of AIG. Mr Smith is an Executive Director of Lithium Energy Limited. Mr Smith has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in 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).

Burke and Corella Graphite Projects

(1) The information in this document that relates to Mineral Resources in relation to the Burke and Corella Graphite Projects is extracted from the following ASX market announcements made by Lithium Energy Limited dated:

- 16 June 2023 entitled "Maiden Corella Graphite Mineral Resource Delivers Doubling of Graphite Inventory"
- 5 April 2023 entitled "Burke Graphite Mineral Resource Upgrade Delivers Significant Increases in Size and Confidence"

The information in the original announcements is based on information compiled by Mr Shaun Searle, a Competent Person who is a Member of the AIG. Mr Searle is an employee of Ashmore Advisory Pty Ltd, an independent consultant to Lithium Energy Limited. Mr Searle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in 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).

(2) The information in this document that relates to test work results in relation to the Burke Graphite Project is extracted from the following ASX market announcement made by Lithium Energy Limited dated:

- 11 March 2024 entitled "Exceptional Battery Testing Results Achieved with Burke Spherical Purified Graphite"
- 27 November 2023 entitled "Testwork Results Highlight Exceptional Potential of Burke Graphite as Battery Anode Material"
- 23 May 2023 entitled "Excellent Metallurgical Testwork Results at Burke Graphite Project Pave Way for Commencement of PFS"

The information in the original announcement is based on information compiled by Mr Graham Fyfe, who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Fyfe is an employee (General Manager, Projects) of Lithium Energy Limited. Mr Fyfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in 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).

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".

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.

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

94 647 135 108

Quarter Ended (current quarter)

30 June 2024

Consolidated statement of cash flows

	Current Quarter Jun-2024 \$A' 000	Year to Date 12 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	(315)	(1,204)
(e) administration and corporate costs	(378)	(1,136)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	33	201
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	(660)	(2,139)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(10)	(10)
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(910)	(7,341)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current Quarter Jun-2024 \$A' 000	Year to Date 12 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)		
US\$1.8M Deposit received under agreement for sale of interest in Solaroz Lithium Project	2,715	2,715
2.6 Net cash from / (used in) investing activities	1,795	(4,636)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	1,200	1,200
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	51	51
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)		
Axon Graphite IPO costs	(47)	(47)
3.10 Net cash from / (used in) financing activities	1,204	1,204
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,071	8,976
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(660)	(2,139)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	1,795	(4,636)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,204	1,204
4.5 Effect of movement in exchange rates on cash held	(14)	(9)
4.6 Cash and cash equivalents at end of period	3,396	3,396

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	3,307	995
5.2 Call deposits	89	76
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)	3,396	1,071

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	(181)
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 <i>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.</i>	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)	(660)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(910)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,570)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,396
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,396
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.16

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?

Not applicable

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?

Not applicable

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?

Not applicable

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:



Victor Ho
Company Secretary

30 July 2024

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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