

# MARKET ANNOUNCEMENT

## Solaroz Lithium Project - Exploration Update

Lithium Energy Limited (ASX:LEL) (**Lithium Energy**) refers to its announcement of 24 September 2021<sup>1</sup> regarding the pending approvals for exploration at its Solaroz Lithium Project (**Solaroz**) in Argentina.

Following public consultation meetings held with local community groups in late July 2021<sup>2</sup> at which there were no substantive community or landowner objections raised, Lithium Energy expected that approval for the proposed exploration works at Solaroz would be issued shortly thereafter, in accordance with the normal process for such approvals.

In recent discussions held with the Mining Director of Jujuy Province, the Authorities have re-confirmed that all technical aspects of Lithium Energy's exploration plans have been approved by UGAMP<sup>3</sup> (the relevant provincial government environmental agency). However, due to earlier COVID-19 travel restrictions, a number of local community members had not been able to attend the July 2021 community consultation meetings. With COVID-19 restrictions recently having been relaxed in the province of Jujuy, the Mining Director has requested that prior to exploration works commencing, a follow-up community consultation meeting be held with each of two relevant community groups to extend the consultation opportunity to those community members who could not attend the first meetings due to COVID-19 travel restrictions.

Whilst this has caused a delay to the planned exploration activities, Lithium Energy is fully supportive of the request made by the Mining Director. One of Lithium Energy's guiding principles of sustainability is to support the communities in which the company operates and Lithium Energy therefore welcomes the opportunity to present its exploration plans to the fuller community groups. Lithium Energy anticipates that such engagement will foster more positive long term community engagement and collaboration moving forward.

Lithium Energy is accordingly in the process of reconvening the required two community group meetings and expects these to be held early in the New Year. Lithium Energy does not expect any opposition to the proposed exploration programme given that details of the same have already been circulated in the community, a formal round of public consultations have already been held and no material objections being raised. Lithium Energy believes the upcoming meetings will simply allow for questions on various aspects of the project to be made by community members that could not attend the first meetings due to COVID-19 travel restrictions.

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- 1 Refer LEL ASX Announcement dated 24 September 2021: Lithium Energy Prepares to Mobilise to Site with Approvals Pending for Solaroz Exploration
  - 2 Refer LEL ASX Announcement dated 5 August 2021: Approval Process for Solaroz Exploration Nearing Completion
  - 3 Unidad de Gestión Ambiental Provincial Minera (Environmental Management Unit)



The Mining Director has confirmed that once these final meetings are held, he will advance the necessary administrative processes for approval of the exploration works to commence. Lithium Energy understands that these administrative processes should be completed within one month of the final meeting being held.

In anticipation of the exploration approvals being granted in the New Year, Lithium Energy has engaged with local geophysics and drilling contractors to potentially commence exploration works in late January/early February 2022.

### Solaroz Lithium Project (Argentina)

(LEL – 90%)

Solaroz is located within South America's 'Lithium Triangle' in North-West Argentina in the Salar de Olaroz basin (**Olaroz Salar**) and is directly adjacent to or principally surrounded by two world class Lithium brine projects, being the current production assets of Orocobre Limited (ASX/TSX:ORE) and the advanced lithium brine development project held by Lithium Americas Corporation (TSX/NYSE:LAC) (refer Figure 1).

Once approvals are received, Lithium Energy will commence an intensive exploration programme consisting of geophysical surveys and drilling to test its Solaroz Exploration Target of **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 <sup>2</sup> )	SOLARAZ EXPLORATION TARGET					
	Thickness of Deep Sand Unit (m)	Lithium (mg/L)	Average Specific Yield (Sy) (%)	Brine Volume (million m <sup>3</sup> )	Contained Lithium (Mt)	Contained LCE (Mt)
<b>Upper Assumption Estimate</b>						
78	150	700	20	2334	1.6	8.70
<b>Lower Assumption Estimate</b>						
78	75	500	10	584	0.3	1.5

*For further information, refer to LEL ASX Announcement dated 8 June 2021: Substantial Lithium Exploration Target Identified at the Solaroz Project in Argentina*

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.

The Company notes that the long-term fundamentals for Lithium demand remain strong, driven primarily by continued growth in the electric vehicle and energy storage industries.

Lithium Energy now looks forward to the approval process being concluded such that its Solaroz exploration works in the Olaroz Salar can commence.

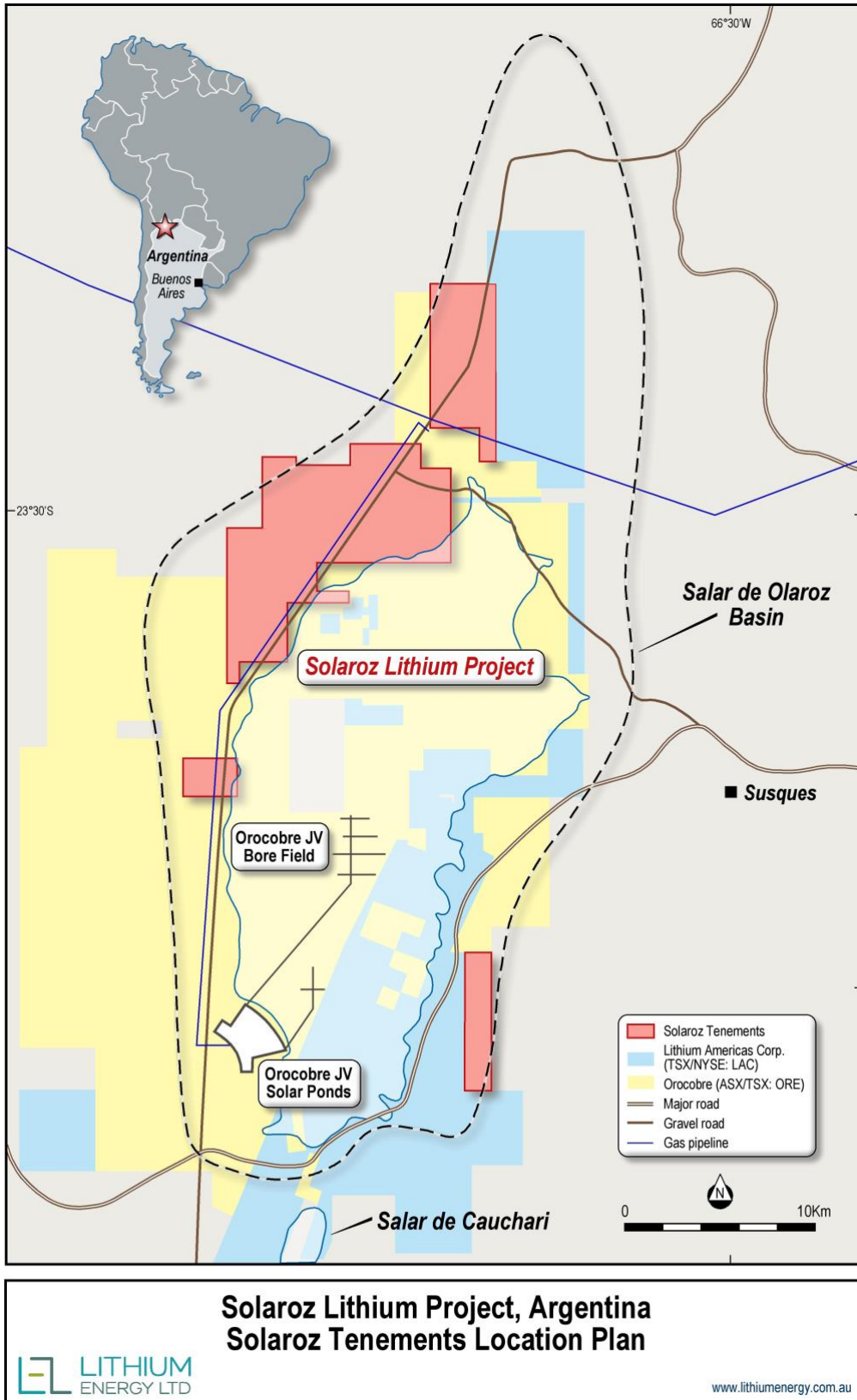


Figure 1: Solaroz Project Tenement Locations

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## ABOUT LITHIUM ENERGY LIMITED (ASX:LEL)

Lithium Energy Limited is an ASX listed battery minerals company which is developing its flagship Solaroz Lithium Brine Project in Argentina and the Burke Graphite Project in Queensland. The Solaroz Lithium Project (LEL:90%) comprises 12,000 hectares of highly prospective lithium mineral tenements 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 tenements being developed into production by Orocobre Limited (ASX/TSX:ORE) 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. LEL was spun out of Strike Resources Limited (ASX:SRK) via a \$9 million IPO; Strike remains a major (43%) shareholder of the Company.

## JORC CODE COMPETENT PERSON'S STATEMENT

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:

- 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).

## 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 the Company, 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 the Company 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. The Company 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. The Company does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws.