HALF YEAR REPORT

31 December 2021

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2021 ANNUAL REPORT OF THE COMPANY
LODGED ON 25 OCTOBER 2021

ASX Code: LEL

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DIRECTORS' REPORT

The Directors present their report on Lithium Energy Limited ABN 94 647 135 108 (ASX Code: LEL) (**Company** or **LEL**) and its controlled entities (the **Consolidated Entity** or **Lithium Energy**) for the financial half year ended 31 December 2021 (**Balance Date**).

LEL is a company limited by shares that was incorporated in Western Australia on 14 January 2021 as a wholly-owned subsidiary of Strike Resources Limited (ASX:SRK) (**Strike** or **SRK**). Lithium Energy (holding various battery minerals assets) was spun-out of Strike following the successful completion of LEL's $9 million initial public offering (**IPO**) under a Prospectus (dated 30 March 2021).

The Company was admitted to the Official List of the Australian Securities Exchange (**ASX**) on 17 May 2021 and commenced quotation/trading on ASX on 19 May 2021.

Lithium Energy has prepared a consolidated financial report incorporating the entities that it controlled during the financial half year.

OPERATING RESULTS

Consolidated	December 2021 $
Total revenue	17,795
Total expenses	(1,774,994)
Loss before tax	(1,757,199)
Income tax expense	-
Loss after tax	(1,757,199)

CASH FLOWS

Consolidated	December 2021 $
Net cash flow used in operating activities	(656,355)
Net cash flow from investing activities	5,490
Net cash flow from financing activities	-
Net change in cash held	(650,865)
Effect of exchange rate changes on cash held	19,358
Cash held at half year end	7,362,837

FINANCIAL POSITION

Consolidated	December 2021 $	June 2021 $
Cash	7,362,837	7,994,344
Exploration and evaluation expenditure	7,122,532	7,011,511
Receivables	184,185	133,997
Other assets	43,995	52,543
Liabilities	(106,890)	(187,625)
Net assets	**14,606,659**	**15,004,771**
Issued capital	15,006,458	15,006,458
Reserves	2,485,761	1,126,674
Accumulated losses	(2,885,560)	(1,128,361)
Total equity	**14,606,659**	**15,004,771**

DIRECTORS' REPORT

DIVIDENDS

No dividends have been paid or declared during the financial half year.

CAPITAL MANAGEMENT

Securities on Issue

The following securities were on issue as at balance date:

Class of Security	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	45,000,000	35,010,000	**80,010,000**
Executive Options ($0.30, 18 Mar 2024)[1]	-	10,000,000	**10,000,000**
Broker Options ($0.30, 4 May 2024)[2]	-	4,000,000	**4,000,000**
Executive Options ($1.39, 29 Nov 2024)[3]	-	3,500,000	**3,500,000**

On 16 February 2021, the Company issued 100,000 Securities Incentive Plan (**SIP**) Options ($1.595, 15 Feb 2025)[4].

Restricted Securities

The following restricted securities are subject to escrow (as imposed under the ASX Listing Rules) as at balance date:

Class of Security	Number	Escrow Period
Fully paid ordinary shares	34,860,000	19 May 2023 (24 months from date of Quotation[5])
Fully paid ordinary shares	150,000	10 May 2022 (12 months from date of issue)
Total	**35,010,000**	
Executive Options ($0.30, 18 Mar 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)
Executive Options ($1.39, 29 Nov 2024)	3,500,000	2 December 2023 (24 months from Quotation)

Option Issues

The following options were issued during and subsequent to the financial half year:

Class of Unlisted Options	Issue Date	Exercise Price	Expiry Date	Number of options
Executive Options ($1.39, 29 Nov 2024)	30 Nov 2021	$1.39	29 Nov 2024	3,500,000
SIP Options ($1.595, 15 Feb 2025)	16 Feb 2022	$1.595	15 Feb 2025	100,000

1 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

2 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

3 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

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

5 The Company was admitted to the Official List of ASX on 17 May 2021 and commenced quotation/trading on ASX on 19 May 2021.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

Solaroz Lithium Brine Project (Argentina) (90%)

Lithium Energy's flagship Solaroz Lithium Brine Project (**Solaroz Project** or **Solaroz**) comprises 8 mineral tenements 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 (**Olaroz Salar**).

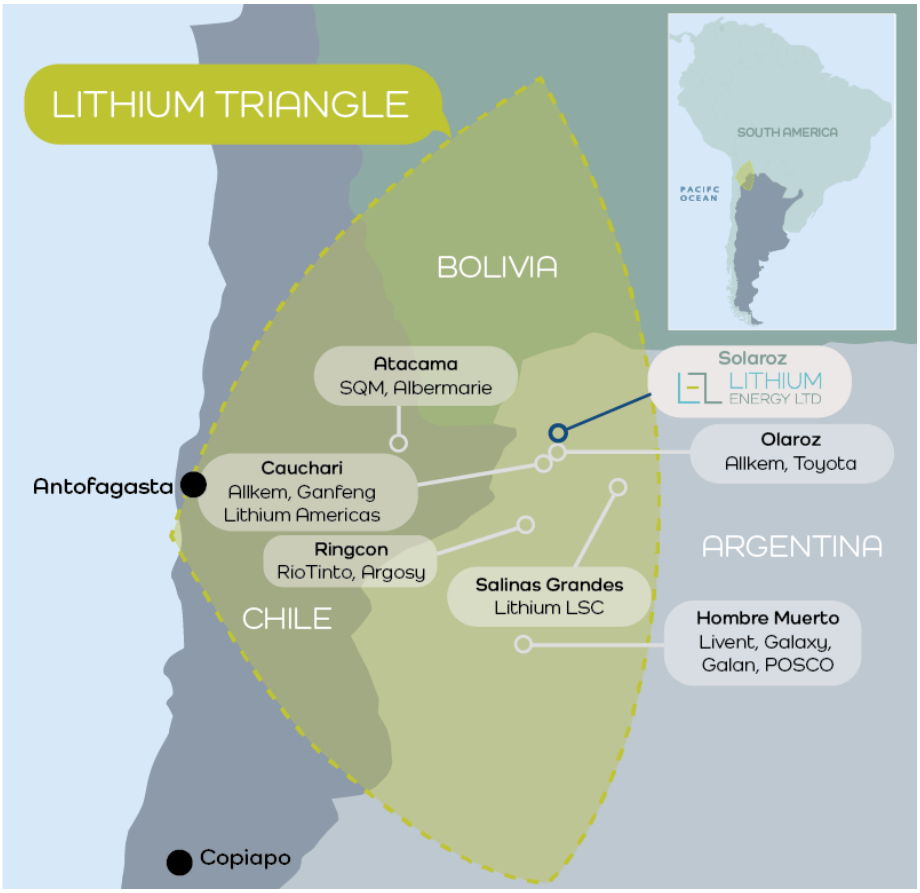

Figure 1: Lithium Projects Located in 'Lithium Triangle'

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).

The Solaroz Project is directly adjacent to or principally surrounded by tenements held by Allkem and Lithium Americas in the Olaroz Salar (refer Figure 2). Allkem currently has a market capitalisation of approximately A$6.3 Billion. 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 2014.[7]

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

7 Refer also Allkem's December 2021 Quarterly Activities Report released on ASX on 18 January 2022 and Allkem's (then known as Orocobre) 2021 Annual Report released on 25 August 2021

DIRECTORS' REPORT

Lithium Americas' Cauchari-Olaroz Project is located in the Olaroz Salar and neighbouring Salar de Cauchari adjacent to Allkem's Olaroz Lithium Facility. Lithium Americas has a market capitalisation of approximately US$3.8 Billion.[8]

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

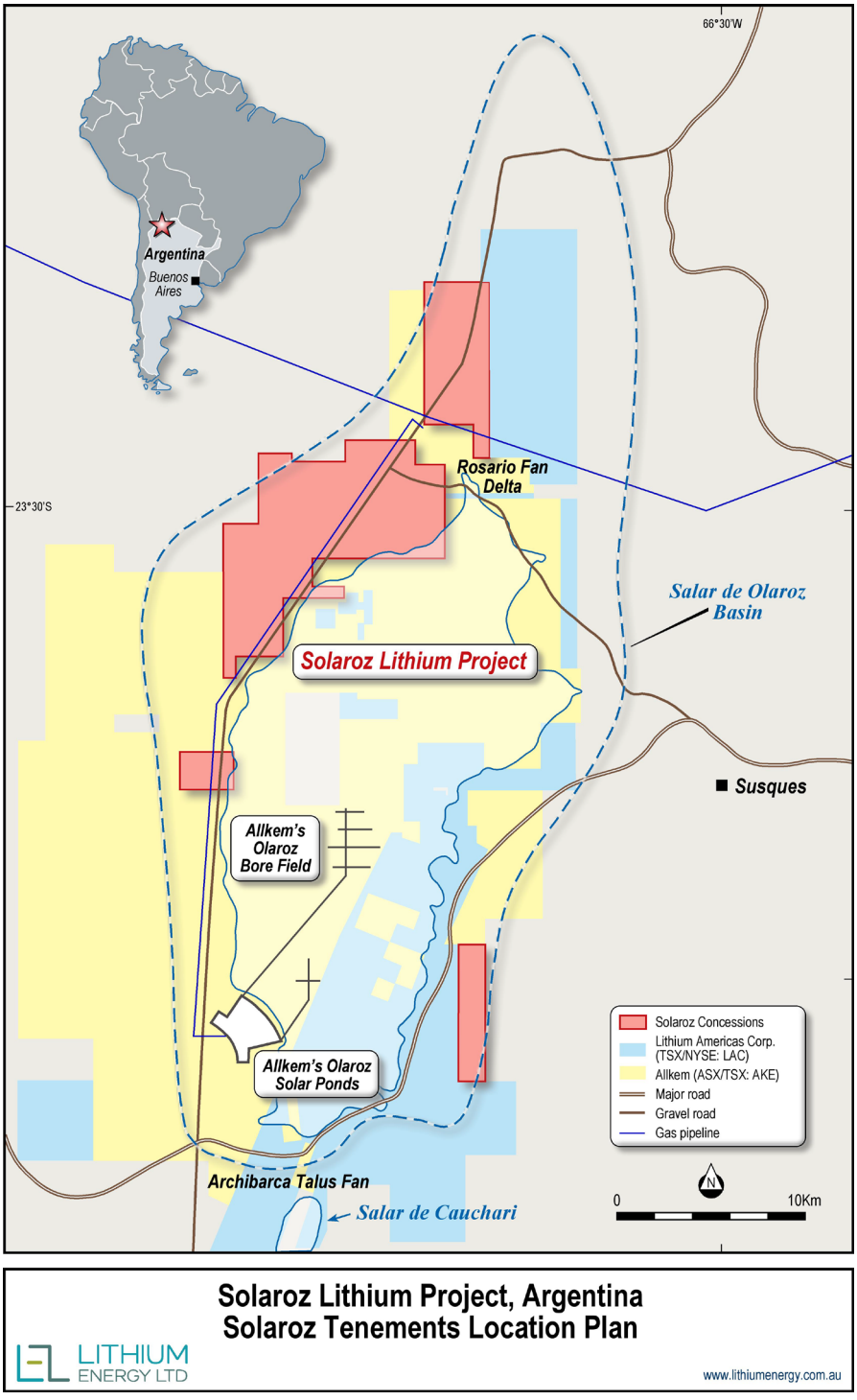

Figure 2: Solaroz Project Tenement Locations

8 Refer also Lithium America's Third Quarter 2021 Results released on 15 November 2021

DIRECTORS' REPORT

Lithium Energy's interpretation of the Olaroz Salar basin architecture is that the aquifer which supplies the lithium-rich brine being extracted by Allkem and forming the lithium mineralisation upon which the Lithium Americas project is based, is contained in a Deep Sand Unit of the Olaroz Salar which extends to the north and west under the Talus Alluvial Wedge and the Solaroz tenements (refer Figure 3).

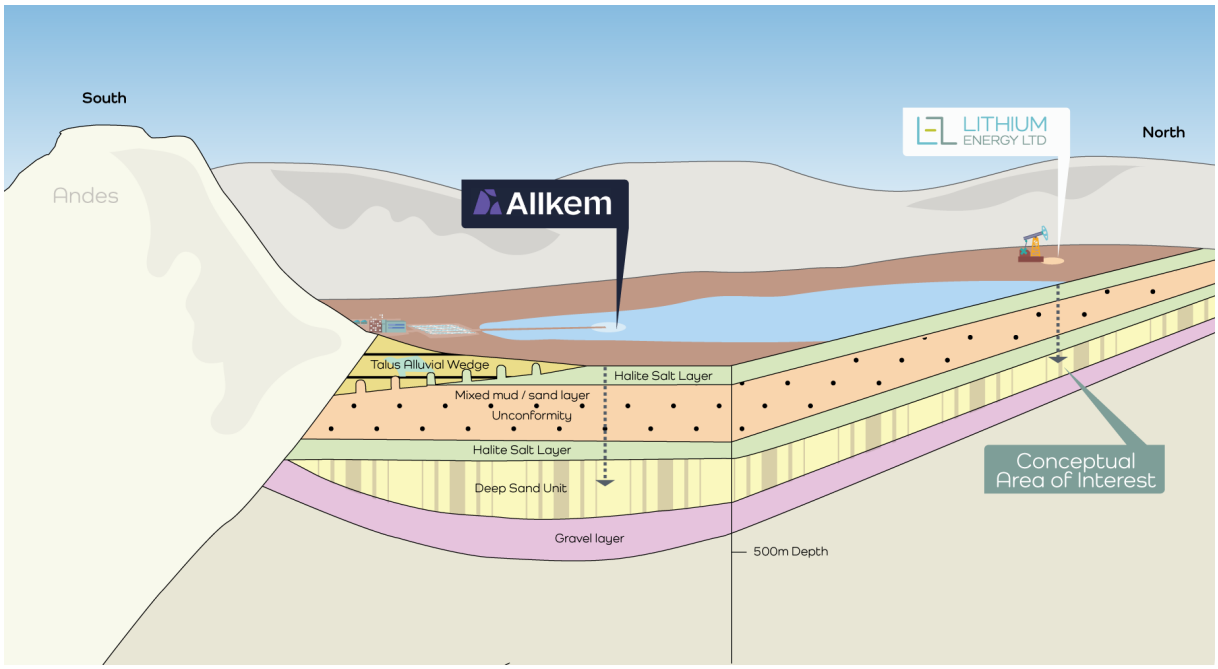

Figure 3: Solaroz Geological Exploration Concept

The presence of the Deep Sand Unit in the Olaroz Salar has been confirmed by exploration works undertaken by Allkem and Lithium Americas. The Company notes that the Rosario Fan Delta at the northern end of the Olaroz Salar and over which the Solaroz Payo 1 and Payo 2 tenements are situated (refer also Figure 4), contains the interpreted paleo channel through which brines are interpreted to have likely flowed from the north into the Deep Sand Unit within both the Olaroz Salar and neighbouring Salar de Cauchari to the south.

Lithium Energy's interpretation of the Deep Sand Unit and paleo channel is conceptual in nature, there has been insufficient exploration to estimate a JORC Mineral Resource in respect of the same and it is uncertain if further exploration will result in the estimation of a JORC Mineral Resource.

DIRECTORS' REPORT

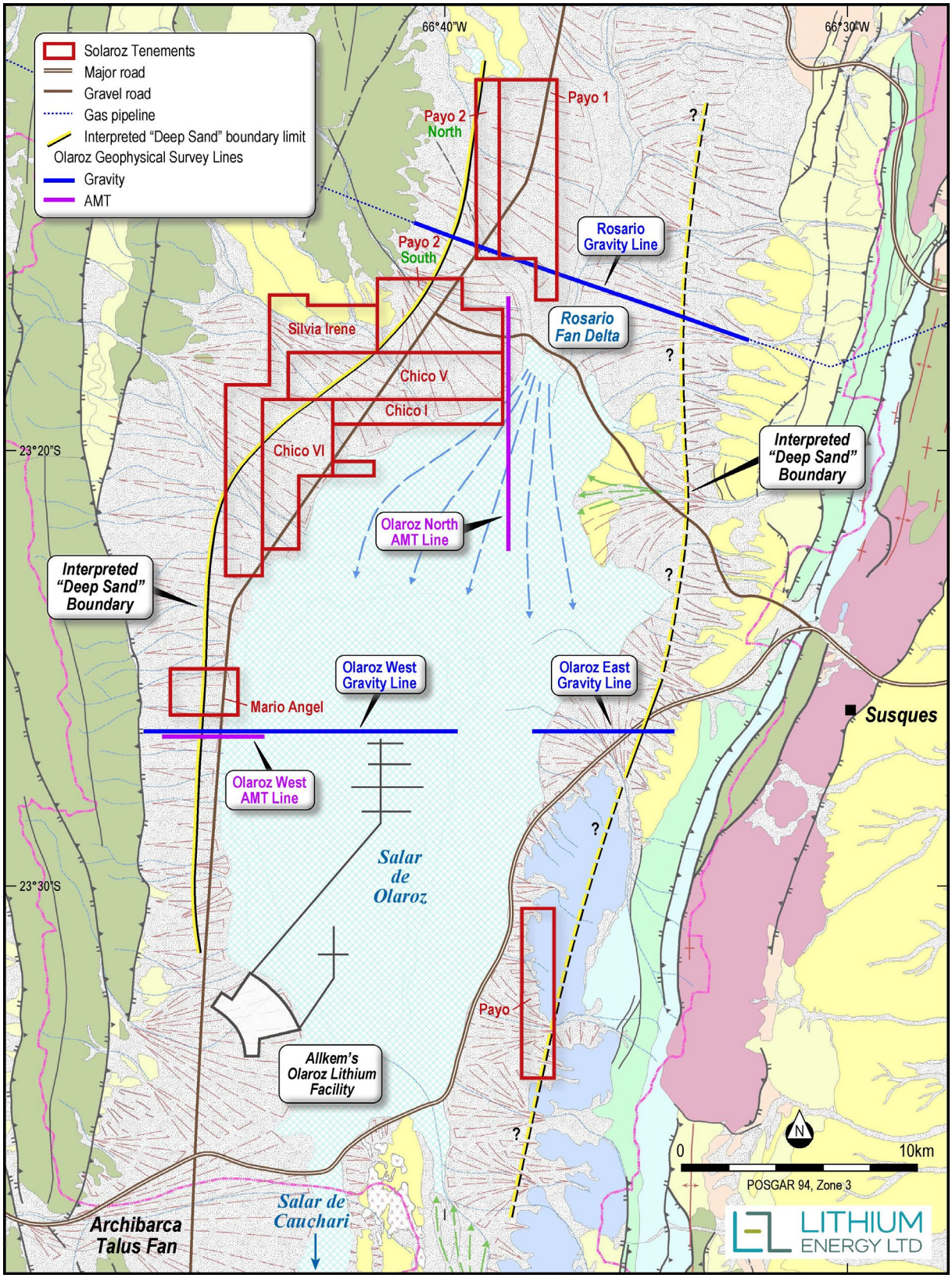

Figure 4: Geology of the Olaroz Salar with Location of the Solaroz Tenements and Location of Geophysical Surveys undertaken by Allkem[9]

9 Source: Salfity Geological Consultants - www.salfitygeologicalconsultant.com

DIRECTORS' REPORT

Exploration Target

Lithium Energy has established a conceptual Exploration Target for the Solaroz Project of[10]:

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**

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.

Lithium Energy notes its Exploration Target for the Solaroz Project in the context of Allkem's JORC Code (2004 Edition) compliant Measured and Indicated Mineral Resource within the Olaroz Salar.[11]

The Exploration Target demonstrates the potential world-class scale of the Solaroz Project 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 tenements.

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 tenements.

Based upon Lithium Energy's assessment, the Exploration Target has an upper case estimate of approximately **8.7Mt of Contained Lithium Carbonate (LCE)** at approximate concentrations of **700mg/L Li** and a lower case estimate of approximately **1.5Mt of LCE** at an approximate concentration of **500mg/L Li**.

The Exploration Target is based on the interpretation that the alluvial deposits upon which the Solaroz tenements 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.

Further details of the Exploration Target are outlined in the following table:

Brine Area (km^2)	Exploration Targets					
	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.

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

11 Refer Allkem's ASX/TSX Announcement dated 1 April 2011: Increased and Upgraded Resource at Olaroz Lithium-Potash Project

DIRECTORS' REPORT

(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).

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.

Exploration Work Planned to Validate Exploration Target

Lithium Energy proposes to test the proposition that the aquifer which supplies the lithium-rich brine being extracted by Orocobre extends under the Company's Solaroz tenements. This will be tested by geophysical work and drilling with a view to fast tracking production of lithium carbonate dependent upon these works being successfully concluded.

Upon the grant of the required Environmental Impact Assessment (**EIA**) approvals, an extensive work programme will be conducted, aimed at locating potentially lithium bearing brines of economic interest and obtaining preliminary information related to the hydrogeological and geochemical characteristics of the brine rich aquifer that comprises the Olaroz Salar underneath the Solaroz tenements, including:

- Geophysical surveys to define the basin basement morphology and thickness of the hydrogeological units that have the potential to contain brines of economic interest; and
- an exploration drilling campaign based on the results from previous work, to assess the distribution and geochemistry of the brine and to obtain data related to basic physical parameters of the different hydrogeological units.

Lithium Energy will also undertake an assessment of relevant mine economic criteria to assist in developing a pathway to the completion of feasibility study(s), including the delineation of a maiden Mineral Resource.

Exploration Activities

In late July 2021, as part of the EIA approvals process required for exploration to commence at Solaroz, two positive public consultation meetings were held between Lithium Energy's local representatives, various agencies of UGAMP (Unidad de Gestión Ambiental Provincial Minera, or 'Unit of Environmental Management'), underlying landowners and first nations representatives.

UGAMP has representatives of different provincial agencies (eg. Enviromental Management Agency, Environmental Policy Department, Water Resources, Industry and Commerce, Public Health) as well as non-government stakeholders (ie. National University of Jujuy, the Centre of Geologists, municipal authorities and indigenous communities) and along with the Mining Secretary, is responsible for the final approval of Mining EIAs.

There were no substantive community or landowner objections raised at the consultation meetings to the proposed exploration works. All outstanding technical information relating to the project have been previously delivered to UGAMP by Lithium Energy's local representatives.

DIRECTORS' REPORT

In subsequent discussions held with the Mining Director of Jujuy Province[12], the Authorities re-confirmed that all technical aspects of Lithium Energy's exploration plans have been approved by UGAMP. 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. 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.

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.

The further community engagement required by the Jujuy Mining Director is currently progressing positively. 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 these 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.

The Mining Director has confirmed that once these final community 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 February 2022, Lithium Energy received EIA approval from the Provincial Jujuy Mining Department to commence exploration works on the *Payo* tenement (990 hectares) [13], which is located at the south-eastern corner of the Olaroz Salar and ~7kms from the Allkem Lithium Processing Facility (refer Figure 2).

The Government approval allows Lithium Energy to commence a programme of mapping and geophysics over the *Payo* tenement, which aims to significantly contribute to the Company's understanding of the underlying hydrogeological and geochemical characteristics of the brine rich aquifer that comprises the Olaroz Salar underneath the Solaroz tenements. Lithium Energy has commenced exploration at *Payo*, after the completion/submission of an initial baseline environmental monitoring programme/plan.

Lithium Energy considers that the approval now received for exploration works to commence at the *Payo* tenement confirms the support of the local Jujuy Government for the advancement of the Solaroz Project. With this support and the recent positive progression with community engagement, Lithium Energy expects that the required EIA approvals for these remaining tenements will follow shortly.

In anticipation of the exploration approvals on the balance of the Solaroz tenements being granted, Lithium Energy has engaged with local geophysics and drilling contractors to prepare for the commencement of exploration works.

12 Refer LEL ASX Announcement dated 20 December 2021: Solaroz Lithium Project – Exploration Update

13 Refer LEL ASX Announcement dated 7 February 2022: Lithium Energy Receives First EIA Approval for Exploration to Commence at Solaroz Lithium Project

DIRECTORS' REPORT

Further Information on Solaroz Project

For further details, please refer to Lithium Energy's announcements on Solaroz during and subsequent to the half year:

- 7 February 2022: Lithium Energy Receives First EIA Approval for Exploration to Commence at Solaroz Lithium Project
- 20 December 2021: Solaroz Lithium Project - Exploration Update
- 24 September 2021: Lithium Energy Prepares to Mobilise to Site with Approvals Pending for Solaroz Exploration
- 9 August 2021: Geophysical Equipment Arrives as Lithium Energy Gears up for Exploration on Solaroz Project
- 5 August 2021: Approval Process for Solaroz Exploration Nearing Completion
- 22 June 2021: Investor Presentation
- 8 June 2021: Substantial Lithium Exploration Target Identified at the Solaroz Project in Argentina
- 26 May 2021: Geophysical Data Supports Highly Encouraging Exploration Potential for Solaroz

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

The Burke Graphite Project (**Burke 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 5).

The Burke EPM 25443 tenement (**Burke Tenement**) is located 125km north of Cloncurry in an established graphite mining province 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. A JORC Inferred Mineral Resource has been defined on the Burke tenement.

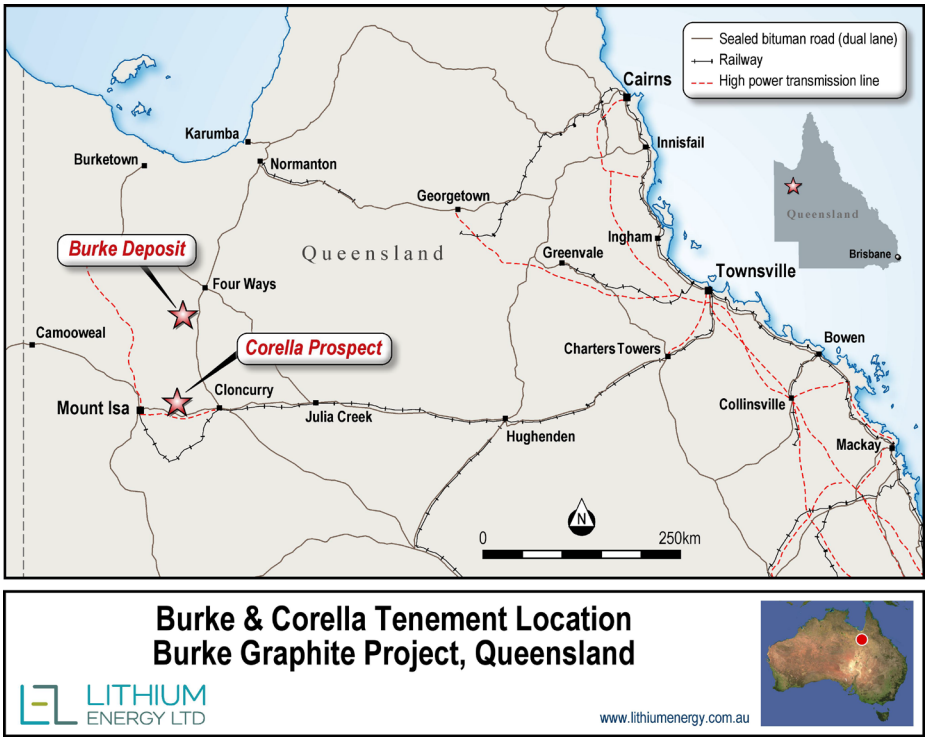

Figure 5: Burke Graphite Project Tenement Locations in North Central Queensland

DIRECTORS' REPORT

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 is one of the highest-grade graphite deposits globally:

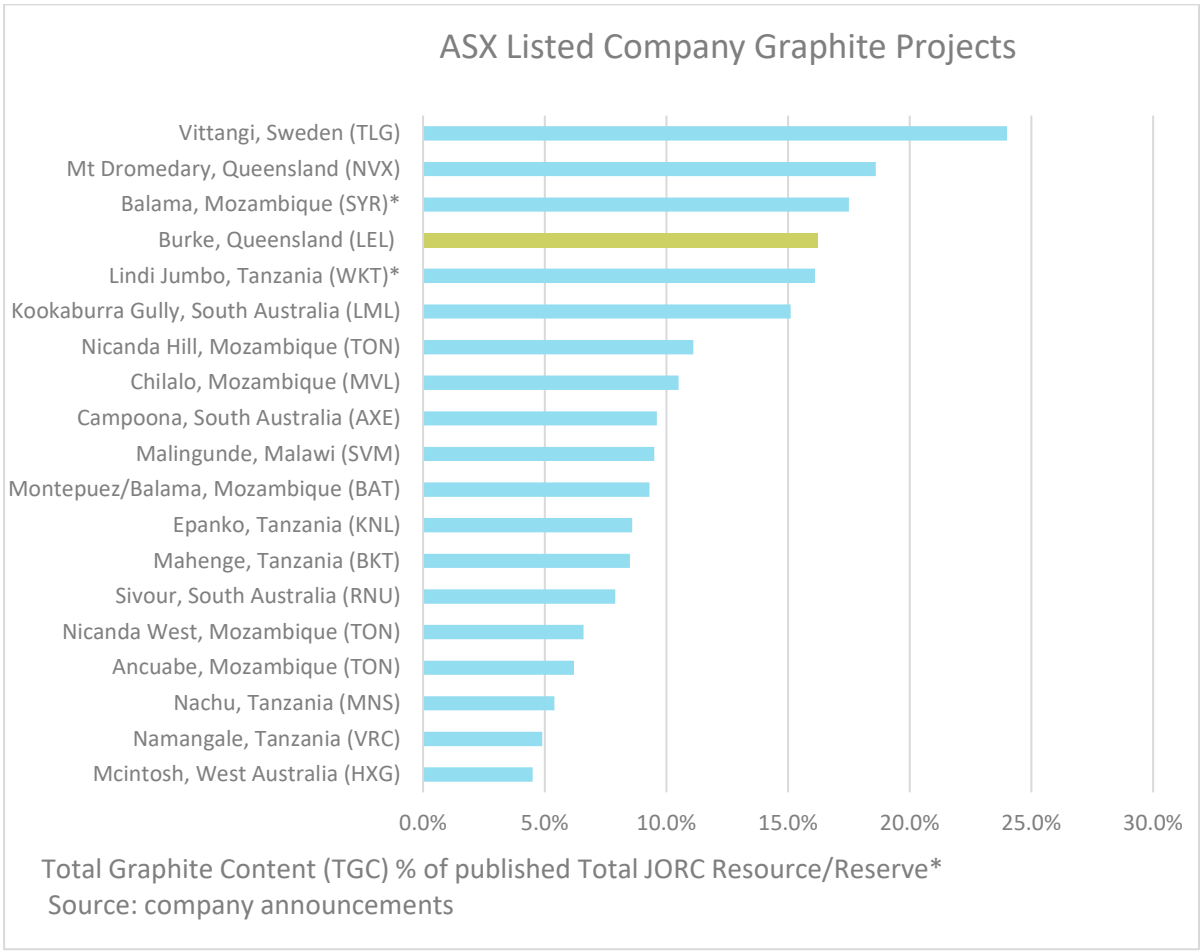

Figure 6: Total Graphite Content (TGC) of Graphite Projects Held by ASX Listed Companies (Source: ASX announcements)

DIRECTORS' REPORT

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 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 bench mark product categories. The flotation tests previously conducted by Independent Metallurgical Operations Pty Ltd (**IMO**) have confirmed that a concentrate of purity **in excess of 95% and up to 99% TGC** can be produced using a standard flotation process.
- Contains graphite from which Graphene Nano Platelets (**GNP**) have been successfully extracted direct from the Burke Deposit via Electrochemical Exfoliation (**ECE**). 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 North Queensland Townsville Energy Chemicals Hub, 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.

Drilling Programme

Lithium Energy will shortly be undertaking a drilling programme comprising a combination of RC, diamond core and geotechnical holes (of approximately 2,000 metres across 15 holes, to a depth of ~150 metres) to upgrade part of the JORC Inferred Mineral Resource at its Burke Tenement to a higher standard JORC Indicated Mineral Resource category, with further optimisation via 3D modelling 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 confirm the commercial viability of establishing a Purified Spherical Graphite manufacturing facility, using its very high-grade Burke Graphite as a feedstock material. The upgraded mineral resource will in particular allow the Company to set an annualised production rate for the proposed manufacturing facility using the Burke Tenement graphite.

The drilling programme at the Burke Tenement is expected to commence once necessary access permits and approvals have been received, which approval process is currently being finalised.

In addition to the drilling on the Burke Tenement, Lithium Energy is also planning a drilling programme at the Corella Tenement located approximately 150km south of the Burke Tenement which is expected to commence once the drilling programme at the Burke Tenement is completed, utilising the same drilling rig.

DIRECTORS' REPORT

A ground Electro Magnetic (**EM**) survey was completed in June 2018 at the north east corner of the Corella Tenement, covering outcropping and sub-cropping Geological Survey of Queensland mapped Graphitic Schists - the "Milo beds" - within the Corella Formation.[14]

The Milo beds (Graphitic Schist) form a shallow dipping sequence within the Tommy Creek block of the Mt. Isa Inlier. They form part of the Corella Formation which have been intruded by gabbro dykes and sills and with subsequent metamorphism to amphibolite grade during the Isan Orogeny.

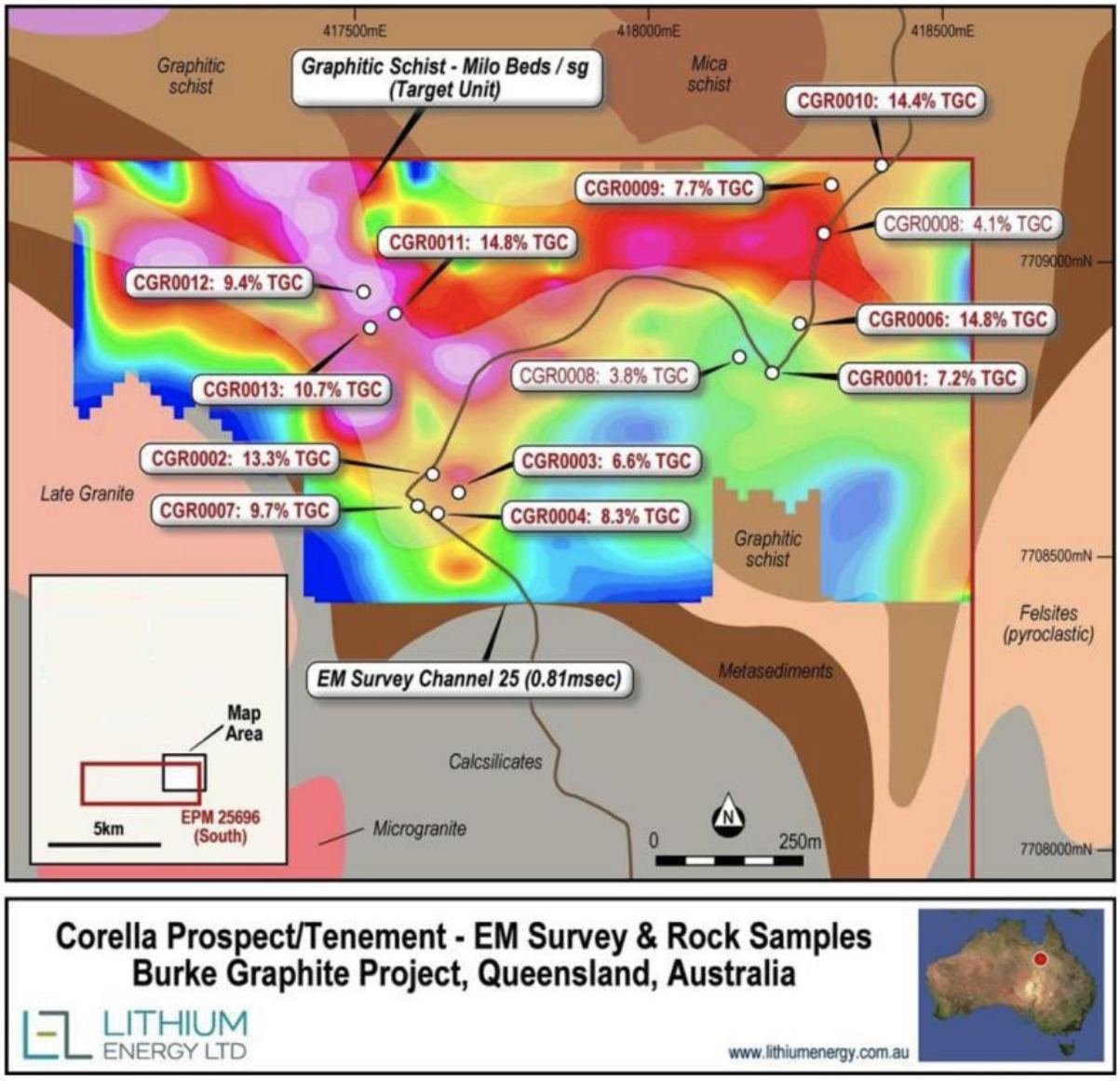

Figure 7 - EM Survey - Corella Prospect, Burke Graphite Project

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 (refer Figure 7).

The survey highlighted an area of approximately 1000m x 500m within which conductive features similar to those corresponding to high-grade graphite occurring at the Burke Tenement were identified.

14 Refer SRK ASX Market Announcement dated 26 June 2018: Burke Graphite Project – New Target Area Identified from Ground Electro-Magnetic Surveys

DIRECTORS' REPORT

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[15] .

The upcoming drilling programme at the Corella Tenement will be designed to test the extent of graphite mineralisation identified through the previously conducted EM survey. The drilling programme is expected to comprise 2,000 metres of Reverse Circulation (RC) drilling and may include Metallurgical sampling using Diamond Core drilling.

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 North Queensland Townsville Energy Chemicals Hub) and the prior test work indicating its 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 undertaking investigations into the establishment of a dedicated, environmentally sustainable manufacturing facility at or near the North Queensland Townsville Energy Chemicals Hub to purify and spheronise graphite sourced from the high-grade Burke Deposit for use as anode material in lithium-ion batteries.[16]

By investing in a manufacturing facility to undertake the purification and spheronisation required to produce battery-grade anode material, Lithium Energy will potentially tap into significantly greater market with a higher value-added sale price than just the production of unpurified graphite concentrate.

Lithium Energy will adopt best practice manufacturing technologies for the concentration and refinement of its graphite using environmentally sustainable manufacturing processes compared with highly toxic chemical processes currently used in China. The Company will seek to be one of a limited number manufacturers of PSG outside of China in circumstances where PSG is currently a near Chinese monopoly product.

Lithium Energy plans to advance with a number of studies to confirm the commercial viability of establishing a Purified Spherical Graphite manufacturing operation, using its very high-grade Burke Graphite as a feedstock material.

As these studies advance, Lithium Energy envisages a potential pathway to production encompassing:

- Appointment of lead engineering company(ies) to assist with project studies;
- Finalisation of facility location;
- Completion of current CSIRO test work and the engagement with regional Government agencies which may provide financial and technical support for such an initiative;

15 Refer SRK ASX announcement dated 21 April 2017: Jumbo Flake Graphite Confirmed at Burke Graphite Project, Queensland

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

DIRECTORS' REPORT

- Finalisation of process flow sheet upon completion of test work and selection of underlying processing methodology;
- Upgrading current JORC Mineral Resource to an Ore Reserve status;
- Conversion of the Burke tenement to a Mining Lease;
- Construction of Pilot Plant;
- Initial Production from Burke Deposit to Pilot Plant;
- Finalisation of Plant Design based upon Pilot Plant data;
- Finalisation of Processing Plant Design;
- Completion of all required studies and permitting; and
- Receipt of Project Finance and Final Investment Decision.

Demand For Purified Spherical Graphite (PSG)

The demand for PSG for use in lithium-ion batteries is expected to increase ten-fold over the next decade, as the world rapidly moves towards the electrification of mobility and renewable grid storage.

Graphite is a critical component of today's lithium-ion batteries – in fact, there is typically ten times by weight more graphite in a lithium-ion battery than lithium. Most of the world's supply of battery grade purified graphite for use as anode material in Electric Vehicle (**EV**) batteries is sourced from China. The technology currently used in China for purification uses highly toxic chemicals which are dangerous to handle and environmentally damaging.

Battery manufacturers are therefore increasingly seeking alternative sources for graphite. Australia is well positioned to meet this demand, with strong technical capabilities together with a range of Government funded initiatives such as the Future Battery Industries Cooperative Research Centre (**CRC**) which actively support the value enhancement of local critical minerals, including graphite.

Graphene from the Burke Deposit

The exceptionally high-grade nature of the Burke Deposit and its chemical composition lends itself to efficient Graphene production technology, which is not available for a majority of lower grade graphite deposits.

Graphene usage in lithium-ion batteries is an emerging technology, where Graphene is used as an additive in the compound mix of the Cathode electrode terminal to effectively make the terminal more conductive. Graphene enhanced batteries allow for increased electrical density, more rapid recharge times, less weight, as well as having the ability to hold the charge longer which improves the battery's lifespan.

Graphene is technically defined as a single atom layer of crystalline carbon in a two dimensional 'honeycomb' type structure, but the term "Graphene" is often extended to include material made up of multiple stacked single layers of (single layer) Graphene. Material comprising up to 10 layers of Graphene is sometimes referred to as "Few Layer Graphene" (**FLG**), whereas material with between 10–150 layers of Graphene is known as "Graphene Nano Platelet" (GNP).

The Burke Deposit contains graphite from which GNP have been successfully extracted via ECE.

DIRECTORS' REPORT

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 Graphene processing advantages over other graphite deposits.

In 2017[17], a test was successfully undertaken on a sample of Burke graphite diamond drill hole core through ECE by IMO, to produce pure GNP material from raw Burke graphite. In ECE, a lump of graphite is inserted as an anode in a chemical solution and then an electric current is passed through the solution, using the graphite as an anode. Layers of Graphene then "peel off" and can be collected through a relatively simple process.

In order to capitalise on the commercial opportunities for using Graphene produced from the Burke Deposit in lithium-ion batteries, Lithium Energy is planning to undertake further test-work to optimise the production ECE process for producing high quality GNP, FLG and/or single layers of Graphene in commercial quantities.

Further Lithium-Ion Testwork by CSIRO

Lithium Energy has entered into a Research Agreement with CSIRO (September 2021) to undertake further work, including attempting spheronisation and purification of Burke natural graphite particles and electrochemical testwork.[18] This spheroidisation of the natural graphite flakes will, through a mechanical process, shape 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.

This work comprises a key component required to demonstrate to potential graphite purchasers the benefits of the natural flake graphite within the Burke Deposit.

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.

Potential Offtake Partners

The Burke Project has previously been introduced to a number of major Chinese and Japanese Lithium-ion battery manufacturers and graphite companies.

These parties expressed keen interest in the Burke Deposit and its proposed development. Based upon the positive reception and strong interest in the Burke Project, and with the benefit of the further test work, Lithium Energy will pursue discussions with these previous parties (and other interested parties) with a view to eventually forming binding commercial off-take and development agreements.

Lithium Energy notes that China itself is the world's largest producer and consumer of graphite. However, average graphite grades in China are typically much lower than that of the Burke Deposit and increasing environmental concerns in China are causing companies to look outside of China for stable supplies of high quality graphite concentrate.

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17 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

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

DIRECTORS' REPORT

Further Information on Burke Project

For further details, please refer to Lithium Energy's announcements on the Burke Project during and subsequent to the half year:

- 23 December 2021: Burke Graphite Project - Update
- 21 October 2021: Lithium Energy to Pursue Downstream Graphite Processing Opportunity at Emerging Townsville Battery Hub
- 27 September 2021: High Grade Burke Graphite To Be Optimised for Lithium Battery Applications
- 9 July 2021: Graphene from Burke Graphite Project Opens Up Significant Lithium-Ion Battery Opportunity
- 22 June 2021: Investor Presentation

Quarterly Reports

Further information on the Consolidated Entity's activities and operations during the financial period are also contained in Lithium Energy's Quarterly Activities and Cash Flow Reports lodged on ASX dated:

- 31 January 2022: Quarterly Report – 31 December 2021;
- 26 October 2021: Quarterly Reports - 30 September 2021; and
- 31 July 2021: Quarterly Activities and Cash Flow Reports for June 2021.

BOARD OF DIRECTORS

William M. Johnson	**Executive Chairman**
Appointed	14 January 2021 (on incorporation)
Qualifications	MA (*Oxon*), MBA
Experience	William Johnson holds a Masters Degree in Engineering Science from Oxford University, England and an MBA from Victoria University, New Zealand. His 35-year business career spans multiple industries and countries, with executive/CEO experience in mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman, North Africa and Indonesia), telecommunications infrastructure investment (New Zealand, India, Thailand and Malaysia) and information technology and Internet ventures (New Zealand, Philippines and Australia). 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.
Special responsibilities	None (other than as Chairman of the Board of Directors)
Relevant interest in securities	110,000 shares[19] 2,850,000 Executive Options ($0.30, 18 March 2024)[19] 1,000,000 Executive Options ($1.39, 29 November 2024)[20]
Current directorships in listed entities	Managing Director of Strike Resources Limited (ASX:SRK) (since 25 March 2013; Director since 14 July 2006) Executive Director of Bentley Capital Limited (ASX:BEL) (since 1 January 2016; Director since March 2009)

19 Refer LEL ASX Announcement released on 19 May 2021: Initial Director's Interest Notice – William Johnson

20 Refer LEL ASX Announcement released on 3 December 2021: Change of Director's Interest Notice - William Johnson

DIRECTORS' REPORT

Peter C. Smith	**Executive Director**
Appointed	18 March 2021
Qualifications	BSc (Geophysics) (*Sydney*), AIG, ASEG
Experience	Peter Smith has 35 years' experience in mineral exploration having worked for Normandy, Pasminco, BHP-Billiton and Cliffs Natural Resources. Mr Smith has held exploration management positions in ASX-listed NGM Resources Limited (ASX:NGM) and NYSE-listed Cliffs Natural Resources (as Regional Exploration Manager for Australia and Oceania) and has been a Director of Volta Mining Limited (ASX:VTM) and Castillo Copper Limited (ASX:CCZ). Mr Smith brings a broad range of skills and experience in mineral exploration.
Special responsibilities	None
Relevant interest in securities	450,000 shares (subject to escrow until 19 May 2023) [21] 1,450,000 Executive Options ($0.30, 18 March 2024)[21] 500,000 Executive Options ($1.39,29 November 2024)[22]
Other current directorships in listed entities	None

Farooq Khan	**Executive Director**
Appointed	14 January 2021 (on incorporation)
Qualifications	BJuris, LLB (*Western Australia*)
Experience	Farooq Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
Special responsibilities	None
Relevant interest in securities	25,000 shares[23] 2,850,000 Executive Options ($0.30, 18 March 2024)[23] 1,000,000 Executive Options ($1.39, 29 November 2024)[24]
Other current directorships in listed entities	Executive Chairman of: • Strike Resources Limited (ASX:SRK) (since 18 December 2015; Director since 1 October 2015) • Orion Equities Limited (ASX:OEQ) (since 23 October 2006) • Bentley Capital Limited (ASX:BEL) (since 2 December 2003) Executive Chairman and Managing Director of: • Queste Communications Ltd (ASX:QUE) (since 10 March 1998)

21 Refer LEL ASX Announcement released on 19 May 2021: Initial Director's Interest Notice – Peter Smith

22 Refer LEL ASX Announcement released on 3 December 2021: Change of Director's Interest Notice - Peter Smith

23 Refer LEL ASX Announcement released on 19 May 2021: Initial Director's Interest Notice – Farooq Khan

24 Refer LEL ASX Announcement released on 3 December 2021: Change of Director's Interest Notice - Farooq Khan

DIRECTORS' REPORT

COMPANY SECRETARY

Victor P.H. Ho	**Company Secretary**
Appointed	14 January 2021 (on incorporation); also a Director between 14 January and 18 March 2021
Qualifications	BCom, LLB (*Western Australia*), CTA
Experience	Victor Ho has been in Executive roles with a number of ASX-listed companies across the investments, resources and technology sectors over the past 22 years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the investment management of listed investment companies (as an Executive Director and/or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America (Peru, Chile and Argentina), Indonesia and the Middle East (Saudi Arabia and Oman)) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and ASX compliance and investor/shareholder relations.
Special responsibilities	None
Relevant interest in securities	96,154 shares 2,850,000 Executive Options ($0.30, 18 March 2024) 1,000,000 Executive Options ($1.39,29 November 2024)
Other positions held in listed entities	Executive Director and Company Secretary of: • Orion Equities Limited (ASX:OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003) • Queste Communications Ltd (ASX:QUE) (Secretary since 30 August 2000 and Director since 3 April 2013) Company Secretary of Bentley Capital Limited (ASX:BEL) (since 5 February 2004)

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001 (Cth)* forms part of this Directors Report and is set out on page 21. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

Signed for and on behalf of the Directors in accordance with a resolution of the Board,

William Johnson
Executive Chairman

11 March 2022

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsay.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor of the review of Lithium Energy Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Lithium Energy Limited and the entities it controlled during the half-year.

Rothsay Auditing

Daniel Dalla
Partner

11 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2021

	Note	31 Dec 21
REVENUE	2	**$**
Interest revenue		13,284
Other		
Foreign exchange gain		4,511
TOTAL REVENUE AND INCOME		**17,795**
EXPENSES	**3**	
Personnel expenses		(216,830)
Share-based payments		(1,344,262)
Corporate expenses		(90,617)
Occupancy expenses		(20,659)
Exploration and evaluation expenses		(8,547)
Finance expenses		205
Administration expenses		(94,284)
LOSS BEFORE INCOME TAX		**(1,757,199)**
Income tax expense		-
LOSS FOR THE HALF YEAR		**(1,757,199)**
OTHER COMPREHENSIVE INCOME		
Other Comprehensive Income, Net of Tax		
Exchange differences on translation of foreign operations		14,825
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR		**(1,742,374)**
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:		
Basic and diluted loss per share (cents)	**5**	(2.20)

The Company was incorporated on 14 January 2021 and does not have a comparative for the half year ended 31 December 2020.

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Note	31 Dec 21 $	30 Jun 21 $
CURRENT ASSETS			
Cash and cash equivalents	6	7,362,837	7,994,344
Receivables		184,185	133,997
Other current assets		7,917	22,917
TOTAL CURRENT ASSETS		**7,554,939**	**8,151,258**
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	7	7,122,532	7,011,511
Property, plant and equipment		36,078	29,626
TOTAL NON-CURRENT ASSETS		**7,158,610**	**7,041,137**
TOTAL ASSETS		**14,713,549**	**15,192,395**
CURRENT LIABILITIES			
Payables		97,015	176,918
Provisions		9,875	10,706
TOTAL CURRENT LIABILITIES		**106,890**	**187,624**
TOTAL LIABILITIES		**106,890**	**187,624**
NET ASSETS		**14,606,659**	**15,004,771**
EQUITY			
Issued capital		15,006,458	15,006,458
Reserves		2,485,761	1,126,674
Accumulated losses		(2,885,560)	(1,128,361)
TOTAL EQUITY		**14,606,659**	**15,004,771**

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2021

	Issued capital $	Foreign Currency Translation reserve $	Share-based payments reserve $	Accumulated losses $	Total $
BALANCE AT 1 JULY 2021	**15,006,458**	**60,572**	**1,066,102**	**(1,128,361)**	**15,004,771**
Loss for the half year	-	-	-	(1,757,199)	(1,757,199)
Other comprehensive income	-	14,825	-	-	14,825
Total comprehensive loss for the half year	**-**	**14,825**	**-**	**(1,757,199)**	**(1,742,374)**
Transactions with owners in their capacity as owners:					
Issue of options	-	-	1,344,262	-	1,344,262
BALANCE AT 31 DECEMBER 2021	**15,006,458**	**75,397**	**2,410,364**	**(2,885,560)**	**14,606,659**

The Company was incorporated on 14 January 2021 and does not have a comparative for the half year ended 31 December 2020.

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2021

	Note	31 Dec 21 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		(536,787)
Payments for exploration and evaluation		(119,568)
NET CASH USED IN OPERATING ACTIVITIES		**(656,355)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries		
Payment for purchases of plant and equipment		(7,794)
Interest received		13,284
NET CASH PROVIDED BY INVESTING ACTIVITIES		**5,490**
NET DECREASE IN CASH HELD		**(650,865)**
Cash and cash equivalents at beginning of the half year		7,994,344
Effect of exchange rate changes on cash held		19,358
CASH AND CASH EQUIVALENTS AT END OF THE HALF YEAR	**6**	**7,362,837**

The Company was incorporated on 14 January 2021 and does not have a comparative for the half year ended 31 December 2020.

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2021

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These half year financial statements do not include notes of the type normally included in the annual financial statements and should be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2021 to the date of this report.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Consolidated Entity's financial statements for the financial year ended 30 June 2021.

The Company was incorporated on 14 January 2021 and does not have any comparative information for the half year ended 31 December 2020. The comparative information in the financial statements are in respect of the financial period from 14 January to 30 June 2021.

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not mandatory have not been early adopted. These are not expected to have a material impact on the Consolidated Entity's financial statements.

2. REVENUE

The Consolidated Entity's operating loss before income tax includes the following items of revenue:	31 Dec 21 $
Revenue	
Interest revenue	13,284
	13,284
Other	
Foreign exchange gain	4,511
	17,795

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2021

3. EXPENSES

The Consolidated Entity's operating loss before income tax includes the following items of expenses:	31 Dec 21 $
Personnel expenses	
Salaries, fees and employee benefits	216,830
Share based payments - Executive Options	1,344,262
Corporate expenses	
Professional fees	3,031
Auditor	6,000
ASX and CHESS fees	43,183
Share registry	16,267
ASIC fees	1,402
Accounting, taxation and related administration	13,458
Other corporate expenses	7,276
Occupancy expenses	20,659
Exploration and evaluation expenses	8,547
Finance expenses	(205)
Administration expenses	
Marketing	34,445
Insurance	24,589
Depreciation	1,321
Other administration expenses	33,929
	1,774,994

4. SEGMENT INFORMATION

31 Dec 21	**Argentina $**	**Australia $**	**Total $**
Revenue	-	13,284	13,284
Other	4,405	106	4,511
Total segment revenues	**4,405**	**13,390**	**17,795**
Personnel expenses	-	1,561,092	1,561,092
Corporate expenses	3,826	86,791	90,617
Occupancy expenses	-	20,659	20,659
Exploration and evaluation expenses	8,269	278	8,547
Finance expenses	(348)	143	(205)
Depreciation expense	-	1,321	1,321
Other expenses	460	92,503	92,963
Total segment profit/(loss)	**(7,802)**	**(1,749,397)**	**(1,757,199)**
Adjusted EBITDA	**(7,802)**	**(1,750,718)**	**(1,758,520)**
Total segment assets	**748,216**	**13,965,333**	**14,713,549**
Total segment liabilities	**29,799**	**77,091**	**106,890**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2021

5. LOSS PER SHARE

	31 Dec 21
	cents
Basic and diluted loss per share	(2.20)

The following represents the loss and weighted average number of shares used in the loss per share calculations:

Net loss after income tax	(1,757,199)
	Shares
Weighted average number of ordinary shares	80,010,000

6. CASH AND CASH EQUIVALENTS

	31 Dec 21	30 Jun 21
	$	$
Cash at bank	1,212,837	294,344
Term deposits	6,150,000	7,700,000
	7,362,837	**7,994,344**

7. EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 21	30 Jun 21
	$	$
Opening balance	7,011,511	-
Exploration and evaluation costs	111,021	15,221
Exploration assets acquired	-	6,996,290
Closing balance	**7,122,532**	**7,011,511**

8. SHARE BASED PAYMENTS

The Company had share based payments, as follows:

Grant date	Expiry date	Fair value at grant date ($)	Exercise price ($)	Opening balance	During the period			Closing balance	Vested and exercisable at period end
					Granted/Issued	Exercised	Cancelled		
Financial period 2021									
19-Mar-21	18-Mar-24	0.076	0.30	2,850,000	-	-	-	2,850,000	2,850,000
19-Mar-21	18-Mar-24	0.076	0.30	2,850,000	-	-	-	2,850,000	2,850,000
19-Mar-21	18-Mar-24	0.076	0.30	2,850,000	-	-	-	2,850,000	2,850,000
19-Mar-21	18-Mar-24	0.076	0.30	1,450,000	-	-	-	1,450,000	1,450,000
05-May-21	04-May-24	0.076	0.30	4,000,000	-	-	-	4,000,000	4,000,000
30-Nov-21	29-Nov-24	0.384	1.39	-	1,000,000	-	-	1,000,000	1,000,000
30-Nov-21	29-Nov-24	0.384	1.39	-	1,000,000	-	-	1,000,000	1,000,000
30-Nov-21	29-Nov-24	0.384	1.39	-	1,000,000	-	-	1,000,000	1,000,000
30-Nov-21	29-Nov-24	0.384	1.39	-	500,000	-	-	500,000	500,000
				14,000,000	3,500,000	-	-	17,500,000	17,500,000
Weighted average exercise price ($)				0.300	1.390	-	-	0.518	0.518

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2021

8. SHARE BASED PAYMENTS (continued)

The following options were issued during the financial half year:

(a) 3,500,000 Executive Options were granted (after approval of shareholders at the Company's Annual General Meeting) on 30 November 2021, each with an exercise price of $1.39 and a term expiring on 29 November 2024.

The fair value of options issued were calculated using an options valuation model which assumes (as at the date of grant) an underlying Company share price of $0.895 (being the closing price), a risk-free rate of 0.872% per annum (based on the 3 year Australian bond yield rate) and a volatility rate of 82% for the underlying shares in the Company.

9. COMMITMENTS

(a) Mining Tenements/Concessions – Annual Fees and Expenditure Commitments

(i) Australian Tenements

The Consolidated Entity is required to pay rates, rent and other annual fees to relevant Regulatory Authorities of the State (and Local) Government and meet minimum annual expenditure commitments (subject to successful applications for exemption in relation thereto) in order to maintain rights of tenure over its granted Australian mining tenements. The total amount of these commitments will depend upon the number and area of granted mining tenements held/retained, the length of time of each tenement held and whether and to what extent the Consolidated Entity has been successful in obtaining exemption(s) from meeting annual expenditure commitments.

(ii) Argentinian Tenements

The Consolidated Entity is required to pay a licence and other annual fees to relevant Regulatory Authorities of the Argentine (and or regional/provincial) Government in respect of mineral concessions held in Argentina. The total amount of this commitment will depend upon, inter alia, the number and area of concessions held/retained and the length of time of each concession held.

10. CONTINGENCIES

(a) Directors' Deeds

The Consolidated Entity has entered into deeds of indemnity with the Directors and Company Secretary of the Company, indemnifying them against liability incurred in discharging their duties as officers. As at the reporting date, no claims have been made under any such indemnities and, accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

(b) Australian Native Title

The Consolidated Entity's tenements in Australia are (or may in the future be) subject to native title rights of the traditional owners under the *Native Title Act 1993 (Cth).* As at the reporting date, the Consolidated Entity has not entered into any native title related access and compensation agreements with any traditional owners and it is not possible to quantify the impact that native title may have on the operations of the Consolidated Entity in relation to these tenements.

(c) Government Royalties

The Consolidated Entity may be liable to pay royalties to Government on production obtained from its mineral tenements/concessions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2021

10. CONTINGENCIES (continued)

(d) Deferred Payments Relating to Acquisition of Solaroz Lithium (Argentina)

In March 2019, Strike Resources Limited (**Strike**) and the LE Operations Pty Ltd (**LEOPL**) entered into an agreement to acquire a 90% shareholding in Hananta S.A. (incorporated in Argentina) (**Hananta**) (**Hananta Agreement**). Hananta, in turn, has entered into an Option and Purchase Agreement (**Option Agreement**) with the registered legal and beneficial owner (**Owner**) of applications for exploitation concessions (totalling ~12,000 ha) currently being processed before the Administrative Mining Court of the Province of Jujuy (**Mining Properties**) which comprise the Solaroz Lithium Brine Project (**Solaroz**) located in northern Argentina.

With effect on 31 December 2020, LEOPL capitalised a $196,893 (US$140,000) loan into a 90% shareholding in Hananta.

On 22 March 2021, Strike assigned its rights, obligations and interests under the Hananta Agreement (with the consent of all other counterparties to the same) to Lithium Energy Limited.

Under the Option Agreement, Hananta is required to make a series of payments in cash and (at the election of Hananta, shares) over 4 years totalling US$6,590,000 to the Owner according to the schedule below:

Hananta's Payments to the Owner	Cash US$	Cash or Shares US$	Total US$
On execution of the Agreement (paid in April 2019)	140,000	-	140,000
6 months after the approval of the Environmental Impact Assessment (**EIA**) Report	120,000	-	120,000
12 months after EIA approval	330,000	-	330,000
18 months after EIA approval	880,000	750,000	1,630,000
30 months after EIA approval	1,180,000	1,000,000	2,180,000
42 months after EIA approval	1,190,000	1,000,000	2,190,000
Total	**3,840,000**	**2,750,000**	**6,590,000**

At the completion of the payments to the Owner, registered title to the Mining Properties will be transferred to Hananta. The Consolidated Entity can elect to terminate the Option Agreement with the Owner at any time, with no penalty. LEOPL will fund 100% of the development costs for Solaroz (including the abovementioned payments to the Owner) to the completion of a bankable feasibility study, with such funding to be provided as loans to Hananta, to be repaid to LEOPL as a priority prior to any distributions to shareholders of Hananta. Thereafter, Hanaq Argentina S.A. (**Hanaq**) (as the other 10% shareholder in Hananta) will contribute pro-rata or dilute. Hanaq can at any time elect to convert its holding in Hananta to a 1% Net Smelter Royalty.

In light of the above circumstances, the Consolidated Entity regards these future payment obligations as contingencies.

11. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since the end of the financial period that significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Lithium Energy Limited made pursuant to sub-section 303(5) of the *Corporations Act 2001 (Cth)*, we state that:

In the opinion of the Directors:

(1) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001 (Cth)*, including:

(a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the financial half year ended on that date; and

(b) complying with Accounting Standards AASB 134 "Interim Financial Reporting", *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(2) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board,

William Johnson
Executive Chairman

11 March 2022

ROTHSAY
Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsay.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF

LITHIUM ENERGY LIMITED

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Lithium Energy Limited ("the Company"), and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Rothsay Auditing

Dated 11 March 2022

Daniel Dalla
Partner

LIST OF MINERAL CONCESSIONS

Lithium Energy has interests in the following mineral concessions/tenements as at 31 December 2021 and currently:

Solaroz Lithium Project (Argentina) (90%)

Tenement Name	Area (Ha)	Province	File No
Mario Ángel	543	Jujuy	1707-S-2011
Payo	990	Jujuy	1514-M-2010
Payo I	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 Resources Limited'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 PERSONS' 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:

- 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. At the time of the Mineral Resource estimation, Dr Scogings and Mr Louw were employees 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).

JORC CODE COMPETENT PERSONS' STATEMENTS

(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.

SECURITIES INFORMATION
as at 9 March 2022

SECURITIES ON ISSUE

Class of Security	Quoted on ASX	Unlisted	Total
Fully paid ordinary shares	45,000,000	35,010,000	**80,010,000**
Executive Options ($0.30, 18 March 2024)[25]	-	10,000,000	**10,000,000**
Broker Options ($0.30, 4 May 2024)[26]	-	4,000,000	**4,000,000**
Executive Options ($1.39, 29 Nov 2024)[27]	-	3,500,000	**3,500,000**
Securities Incentive Plan Options ($1.595, 15 Feb 2025)[28]	-	100,000	**100,000**

RESTRICTED SECURITIES

Class of Security	Number	Escrow Period
Fully paid ordinary shares	34,860,000	19 May 2023 (24 months from date of quotation)
Fully paid ordinary shares	150,000	10 May 2022 (12 months from date of issue)
Total	**35,010,000**	
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
Executive Options ($1.39, 29 Nov 2024)	3,500,000	2 December 2023 (24 months from Quotation)

The Company was admitted to the Official List of the Australian Securities Exchange (**ASX**) on 17 May 2021 and commenced quotation/trading on ASX on 19 May 2021.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Shares Held	% Voting Power
Strike Resources Limited [29]	Strike Resources Limited	34,410,000	43.01%
Bentley Capital Limited[30] (through its relevant interest in Strike and directly)	Strike Resources Limited	34,410,000	44.57%
	Bentley Capital Limited	1,250,000	

25 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

26 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

27 Refer 2 December 2021: Notification regarding unquoted securities – LEL

28 Refer 18 February 2022: Notification regarding unquoted securities – LEL

29 Refer Strike's ASX Announcement dated 19 May 2021: Notice of Initial Substantial Holder

30 Refer Bentley's ASX Announcement dated 19 May 2021: Notice of Initial Substantial Holder

SECURITIES INFORMATION
as at 9 March 2022

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
0	-	1,000	545	390,505	0.49%
1,001	-	5,000	1,039	2,767,692	3.46%
5,001	-	10,000	490	4,053,605	5.07%
10,001	-	100,000	583	17,251,154	21.56%
100,001	-	and over	61	55,547,044	69.42%
TOTAL			**2,718**	**80,010,000**	**100%**

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	537	130	44,634	0.06%
538	-	over	2,588	79,965,366	99.94%
TOTAL			**2,718**	**80,010,000**	**100.00%**

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 537 shares or less (being a value of $500 or less in total), based upon the Company's closing share price of $0.93 on 9 March 2022.

TOP TWENTY, ORDINARY FULLY PAID SHAREHOLDERS

Rank	Holder name	Shares Held	% Issued Capital
1	STRIKE RESOURCES LIMITED	*34,410,000	43.01
2	BNP PARIBAS NOMINEES PTY LTD	1,650,661	2.06
3	GREAT SOUTHERN FLOUR MILLS PTY LTD	1,650,000	2.06
4	RUBI HOLDINGS PTY LTD	1,548,750	1.94
5	BENTLEY CAPITAL LIMITED	1,250,000	1.56
6	RECO HOLDINGS PTY LTD	1,000,000	1.25
7	CITICORP NOMINEES PTY LIMITED	777,527	0.97
8	WOWE PTY LTD	650,282	0.81
9	HONGZE GROUP LTD	641,500	0.80
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	593,011	0.74
11	IRIS SYDNEY HOLDINGS PTY LTD	500,000	0.62
12	SNAZZYBOY VENTURES PTY LTD	477,566	0.60
13	MR PHILLIP RICHARD PERRY	470,000	0.59
14	MR ROBERT VELLETRI + MRS FRANCINE LEE VELLETRI	464,625	0.58
15	PETER CRAIG SMITH	450,000	0.56
16	MR MICHAEL OWEN SHERRY	447,000	0.56
17	UPSKY EQUITY PTY LTD	400,000	0.50
18	SUPERHERO NOMINEES PTY LTD	367,917	0.46
19	MR RYK NAGEL + MRS YOLANDI NAGEL	353,000	0.44
20	MR ADAM WILLIAM CONNON + MRS BELINDA ANN CONNON	350,000	0.44
	TOTAL	**48,451,839**	**60.55%**

* *Subject to escrow until 19 May 2023 (24 months from date of quotation)*