

MARKET ANNOUNCEMENT

Early Exercise of Option to Acquire Solaroz Lithium Brine Project Concessions

Lithium Energy Limited (ASX:LEL) (**Lithium Energy** or the **Company**) is pleased to advise that it has exercised its option to acquire the mineral concessions comprising the Solaroz Lithium Brine Project in Argentina in consideration of a cash payment of US\$3.84 million.

Lithium Energy (through its 90% owned subsidiary in Argentina, Solaroz S.A. (**Solaroz**)) had entered into an Option and Purchase Agreement (dated March 2019) (**Option Agreement**) with the registered legal and beneficial owner (**Owner**) of mineral concessions (totalling ~12,000 ha) which comprise the Solaroz Project.

Under the Option Agreement, Solaroz was required to make a series of payments in cash and (at the election of Solaroz) shares over 4 years totalling US\$6.59 million to the Owner. To date, Solaroz had made option payments totalling US\$0.26 million, with the remaining US\$6.33 million to be paid in tranches, with the final payment due in October 2025.¹

Lithium Energy has reached agreement with the Owner for the early exercise of the option with a cash payment of US\$3.84 million (~A\$6 million), being a (40%) discount of US\$2.49 million (~A\$3.9 million).

William Johnson, Executive Chairman:

Lithium Energy is very pleased to have reached agreement with the owner of the Solaroz concessions to exercise the option early, for a significantly discounted sum. The early option exercise reflects the confidence which the Company has in the tremendous perspectivity of these concessions, given their location being directly adjacent to or principally surrounded by lithium majors Allkem Limited (ASX/TSX:AKE) and Lithium Americas Corporation (TSX/NYSE:LAC) on the Salar de Olaroz basin, together with the Company's significant lithium discovery in its maiden drillhole at Solaroz.

AUTHORISED FOR RELEASE - FOR FURTHER INFORMATION:

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¹ Refer Note 21(d) (Contingencies - Deferred Payments Relating to Acquisition of Solaraz Lithium (Argentina)) to the financial statements in the Company's 2022 Annual Report



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 concessions 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 concessions being developed into production by Allkem Limited (ASX/TSX:AKE) 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.